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AN IMPERIAL CABINET HAS BEEN CONCEDED—BORDEN AND HUGHES DIRECTLY RESPONSIBLE

Asquith Fought the Plan, But Lloyd George Eventually Carried it Through Successfully.

SECRET INFLUENCES PLOTTING AT ALLIED HEADQUARTERS

The Great Test of Borden's Career Now Before Him—Will He Be a Great Statesman or a Mere Petty Politician?—His Course in the Next Few Weeks Will Decide—The Public Awaits the Answer.

THE most important message Sir Robert Borden brings back from England is that the British Government has agreed to the principle of a Permanent Imperial Cabinet, made up of representatives of the United Kingdom, the Colonies and India. The Cabinet will assemble annually in peace, as well as in war time, to consider and deal with all questions of an Imperial character. The formal announcement was not made until shortly before the adjournment af the last session of the Cabinet.

Thus, a great fight has been won, for the future of the Empire, and the men primarily responsible are the Premiers of Australia and Canada and Mr. Lloyd George.

It is announced that this arrangement shall not interfere with the general Imperial Conferences which will be held from time to time, as in the past. Asquith and his predecessors, who believed in the old order of things, fought against the outlying parts of the Empire having any real voice in Imperial affairs. They hoped to keep them quiet by holding general conferences when they became noisy and insistent; and when the delegates threatened to act as well as talk they drowned them in rounds of entertainment, lavished attentions and honors upon them; and got them off home before they had a chance to assert themselves.

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Lloyd George has now two more great feats of Statesmanship to his credit—two great epochs in British history. His Imperial Cabinet and his arrangement, through Mr. Balfour, with the United States. The latter has been one of the most brilliant successes in international politics, the tremendous, the far-reaching, importance of which is not now realized.

* * * *

When the war broke out it was quickly recognized by men in England and in the Colonies accustomed to meet great emergencies, to doing big things, that the British Government was woefully ignorant and incompetent. A disorganized group of self-seeking, professional politicians was in control; men who refused to take into their confidence or consult the great business leaders of the Empire. There was one outstanding exception—Mr. Lloyd George. He had to deal with the business situation; and he immediately called the best financiers in the United Kingdom to his assistance. Then he had to assume charge of munitions; again he consulted the big business executives. In both departments he was a brilliant success. Other members of the Cabinent went on in their conceited, or self-satisfied, ignorant way, and we had appalling disasters—avoidable slaughters, on land and sea—while the taxes we will have to pay, due directly to the incompetence of the Asquiths and the conceit of the Churchills, will amount to billions.

Fearing what might happen—what did happen—THE FINANCIAL POST pleaded for, prayed for, demanded a reorganization of the Imperial Cabinet, the calling in of Lloyd George and the great executives of the Empire. We insisted upon the Colonies having a voice in its affairs. The articles were quoted in England and the Government answered that there was no intention of admitting the Colonies to a voice in the management of the war. Anyway, said Mr. Asquith, in November, 1914, the war will end sooner than some people anticipate.

But the appalling mismanagement and losses in the Dardanelles—a campaign arranged by politicians in direct opposition to the best military and naval advice—aroused Australians to a perfect fury; and a demand came from them for a change in the Imperial Government and in the management of the war. Churchill explained that the Dardanelles campaign was necessary to satisfy Russia. When the true facts as to this war come out—and we may publish them before it ends—they will show how criminally incompetent the Government was in thus endeavoring to please Russia.

The Premier of Australia, Mr. Hughes, took the matter up with our Premier. They agreed on a general policy and arranged to work together. Premier Hughes went to England and presented his demands to the British Government. No attention was paid to his suggestion. Instead, an effort was made to bribe him, to suppress him, to get him out of the country. Fired with bitterness because of his Commonwealth's losses—with thoughts of the thousands of bereaved and suffering relatives in Australia, whose bereavements were due entirely to the British Cabinet's mismanagement, he refused to be quiet. He appealed to the masses of Great Britain. He blasted all precedents. He spoke in plain, clean-cut English. Everyone understood what he meant. He told things the Government had hidden. He finished Churchill, and, Canadians hope, for all time. Mr. Asquith tried to sidestep him on one occasion. Mr. Hughes retaliated and said that Mr. Asquith told a deliberate falsehood. Mr. Hughes' reputation rose among the voters and Mr. Asquith's declined.

In the end he aroused the country so successfully that his speeches and letters to the press, and Northcliffe's newspaper campaign, forced the retirement of Asquith.

The great work for the future of the Empire is now before us. The winning of the war, the future of our agriculture, trade and finance is hanging in the balance. We can win, and we can soon after enter upon a period of prosperity, surpassing all our best dreams. It depends mainly upon Sir Robert Borden, his colleagues in the Imperial Cabinet and President Wilson. Will they be strong? They will if they gather strong men about them.

The President of the United States has risen to the situation; so has Lloyd George, but Sir Robert Borden has not. He is a gentleman in his thoughts and actions. He thinks the world feels and acts as he does. All Canada respects him. No Prime Minister ever had the country more solidly behind him. The nation will support him in a complete reorganization of his cabinet; in the formation of a great National Council of Defence made up of men and women of Canada who have proved by their careers they have the capacity to do things and get things done, those who will consult with him, work with him. We have been putting these views forward constantly since the outbreak of the war. We were alone at first, but the policy which is simple business common-sense, has grown until to-day practically every important newspaper in the country supports it.

So far, Sir Robert has refrained from calling into conference the biggest men in the country. Sir John Macdonald at all times consulted the great leaders; so did Sir Wilfred Laurier. It was the first step taken by the President of the United States.

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There is some very serious work ahead. There are intrigues in the Empire as well as in Russia. Premier Hughes found this out. His success in arousing England stirred up a Great Secret Influence. It worked against

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NORCROSS ASKS THE GOVERNMENT TO GIVE AID TO SHIPBUILDING

Says State Should Act or Give Assistance to Private Interests.

GOVERNMENT ROLLING MILLS

Plants Started Now Could Turn Out Plates by Jan. 1918—Six Months Only Required to Equip Shipyard.

As vice-president and managing director of the Canada Steamship Lines, and as director of shipping construction under the Department of Naval Affairs, Canada's tonnage problems are naturally matters of supreme concern to J. W. Norcross. He has visions of a great merchant marine for Canada, and is impatient to see a move made to establish a permanent shipbuilding industry in this country. "Canadian ships, built in Canadian yards by Canadian workmen, owned and operated by Canadians, and registered in Canada, was the keynote of his remarks, in the course of an interview with the FINANCIAL POST.

"At the present time the British Government is building ships and is turning them over to private companies to operate. Later on the ships will either be sold to private companies or the industry nationalized. Personally, I do not believe in the nationalization of the shipping industry, but whatever policy is adopted by the Canadian Government to deal with the present emergency, the idea should be that what ships are built should eventually become the property of Canadians, and form the nucleus of a Canadian merchant marine. In building these ships, their suitability for the Canadian trade should be the first consideration.

Shortage of Steel Plates.

"The great difficulty in the way of the immediate development of the steel shipbuilding industry," said Mr. Norcross, to the POST, "is the fact that steel plates cannot be obtained in Canada at all, nor at reasonable prices from the United States mills. There is the same difficulty with respect to steel boiler plates and angles. At the present time the United States Government is getting ship plates at $2.90 per hundred, while Canadian builders who go into the market are asked to pay eight, nine, and even ten cents a pound for the same thing."

Make Plates in Canada.

"Canada should not be satisfied to depend upon a foreign country for its ship plates, but should establish rolling mills, and have the plates for Canadian ships rolled in Canadian mills," said Mr. Norcross. "Not until then will the full benefits incidental to the establishment of a shipbuilding industry be obtained," he continued. "Nothing less should satisfy the people of this great country, and nothing less should satisfy the Government of this country. We are a resourceful people. That has been demonstrated by the manner in which we took hold of the munitions industry and without previous experience, and developed it and made it a great success. By doing this, we contributed very materially to the solution of the shell shortage problem, which, in the early days of the war threatened the success of British arms. There is no reason to doubt that we could achieve an equally notable success of the shipbuilding industry, if we go about it in the same spirit and with the same determination.

Government Mills.

"I would like to see the Government either establish rolling mills at once, or give such assistance as would make it possible for private concerns to engage in the rolling of ship plates. I believe that if the question were to be grappled with at once, rolling mills could be in operation in Canada by January 1, 1918. A shipyard for the building of steel ships can be equipped for operation within six months, starting from the bare ground. It would not be necessary to wait even for six months to begin building steel ships, however, as existing yards could be extended, provided the Government rendered the necessary assistance and arranged for the necessary supply of ship plates. While there would no doubt be some difficulty in getting the necessary machinery to equip a plate mill, this would largely be a question of money.

An Urgent Need.

"The need for ships is even more urgent just now than was the need for shells in the early days of the war; but not only would we be providing tonnage that is sorely needed for the transportation of foodstuffs that are essential to our armies in Europe, but

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PRODUCTION OFF AT GOOD START IN ALL CANADA

Ideal Weather and Soil-Surface for Strong Root Development.

300,000,000 BUS. U.S. WHEAT

Hay Crops Threatened—A British Livestock Opportunity—West Shipping Dairy Products—Wood Clip Worth 5½ Millions.

Written for The Financial Post
By F. M. Chapman
Editor, the Farmer's Magazine

Canada's crops give promise of better things this week. Wheat seeding is 80 per cent. completed in Saskatchewan. Manitoba has had a good growing week. Alberta is well on the way to a finish, even farmers in the Edmonton district taking a brighter view of the situation. They say that this is not the latest of seedings for the past ten years. Oats, barley, and flax seeding is now going on with expedition. Larger acreages than last year of these grains will be sown, and will in some way offset the shortages in wheat. Hon. W. R. Motherwell, of Saskatchewan, reports that the condition of the soil is admirable for a good crop. The cool weather will root all grains better than warmer weather would do.

The Statistics Office estimates the area sown to winter wheat last fall at 813,400 acres, of which 656,500 was in Ontario. There has been 23 per cent. of this crop ploughed up.

The proportion of seeding done in spring wheat in the various provinces at the end of April, as compared with last year's, is given at: Ontario, 28 per cent., as compared with 4 per cent. last year, and 73 per cent. in 1915; Alberta, 27 per cent., compared with 80 per cent. and 91 per cent., and British Columbia, 20 per cent., compared with 66 per cent. and 89 per cent. In Saskatchewan, only 5 per cent. had been seeded of the area to be devoted to spring wheat, as against 36 per cent. and 94 per cent. on the corresponding dates of 1916 and 1915.

Outlook for High Prices.

It is said that agencies of foreign Governments for future delivery have purchased 300,000,000 bushels of Amestimates there down to 430,000,000 bushels, it looks like high prices for Canada's wheat under any situation.

The Ontario Government's weekly report is an optimistic one, with the exception of the hay crops. Old meadows have a hard outlook, but new seeds are doing better than fall wheat, but a dry May always means a light hay crop. Old hay stocks will likely be needed in next year's feed bills. Production clubs and divers organizations are working hard at beans and potatoes. Larger buckwheat and corn areas are already being calculated upon.

Livestock Situation.

Livestock values have appreciated greatly during the war. In June, 1914, they were officially estimated at $239,000,000, in 1915 at $376,000,000, and at the present time they are about $450,000,000. There is a disposition on the part of many pure-bred livestock breeders to import as fast as space will admit the best blood from Great Britain, owing to the high costs of feeding these animals there, and the temptation of their breeders to let animals leave the country which formerly they jealously protected from export. Herein lies one of the opportunities of Canadians that ought to be taken full advantage of in order to become the buying ground for future recuperative herd plans in the old lands.

Western Canada is exporting butter

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WAR TAXES OPERATING AGAINST PROGRESSIVE MANUFACTURERS AND MANY SMALL INVESTORS

The Big Burden is Placed Upon All the Shareholders of a Few Enterprising Companies.

OTHER BIG SHAREHOLDERS ARE PAYING NOTHING

Mature Consideration of the War Measure and Investigation of its Actual Effects Brings Conclusion That Minister of Finance Should Modify His Budget—Some Actual Examples of Effect.

THERE was at first a general disposition to accept the burden of the new war taxation of the White budget as a condition of the war, even though it was obviously a makeshift arrangement which did not offer a permanent solution of the problem, THE FINANCIAL POST felt that drastic as the provisions seemed to be the business community should and would accept them, if possible. However, in the period which has elapsed an opportunity has been afforded to consider the far-reaching effects of the new proposals and THE POST has not only studied the matter closely but has secured the views of men who should be in a position to speak with authority. The result of the investigation of the proposals and their operation is the revelation that the tax not only bears heavily upon a certain few but that it is having a direct effect upon plans for industrial developments of various character. Actual examples of this latter state of affairs have been secured and a number of them are referred to in the material which follows.

That a tax like this would bear heavily upon some and that there would be inequalities and minor injustices in its operation, was of course inevitable. The fact that the tax may mean a considerable financial disappointment to certain men, or that some particular business or manufacturing establishment would not have the profit that was expected, is in our mind a very minor matter as compared with the great problem of providing the financial strength necessary to carry on the war.

What we are, however, greatly concerned about is the position in which business enterprises will be placed to carry on their operations and play their part in the building up of Canada. After hearing the views of many business people, some of whose interests were directly affected and others who were not, THE POST has come to the conclusion that the tax as at present proposed involves the imposition of too great a burden upon industries to permit them to carry on their operations in a solvent way; that it acts as too great a deterrent for individual enterprise and initiative; that it interferes too seriously with the basis upon which credit has been and must necessarily continue to be extended to industrial enterprises, and that it will so completely operate as a deterrent to outside enterprises locating in Canada, that we are convinced that the proposals as submitted at the present time should not be adopted but should be radically modified so as to bring them in keeping with Canadian conditions.

We are apt to think of the big companies who are making large profits merely as big corporations. As a matter of fact they are composed of small shareholders. The tax therefore which takes 50 or 60 per cent. of earnings, is really taking that percentage from the earnings of the small shareholders. The man or woman with three or five shares of stock is paying as big a percentage of earnings as the millionaire who owns $100,000 shares of stock.

In practically all countries except Canada, the special war taxes have fallen most heavily on the wealthy class, who can best afford to pay, This policy has not been adopted in Canada by Sir Thomas White.

There are many small investors in these large companies who have waited for years to receive a dividend. Not only will they lose a very large percentage of the profits which the company has earned, but the value of the stock has declined in practically all cases very considerably since the announcement of the new schedule of taxes.

Many people think that if a company gets 40 per cent. of their earnings they are well off, even if 60 per cent. goes to the Government. They think that these men should be patriotic enough to work for 40 per cent. They miss the point, however, entirely. Before these profits were made these business men had to take big risks. When they considered the matter first they were, no doubt, very doubtful whether or not profit could be made at all. In many cases Boards of Directors were divided as to the advisability of entering on new lines of business which required big investment of capital. However, when they finally decided to go on with it, they had found in many cases that it has been profitable, but if the Government steps in and takes 60 per cent. or more of the profits, these business men would hardly be inclined to take the risk the next time. They would no doubt go on with it if they were assured of a profit of not 40 per cent., but 20 per cent. or even 10 per cent., but larger profits are only made because some men have the nerve to tackle uncertain enterprises.

THE ECONOMIC AND FINANCIAL SIDE.

A view of the situation from a banking standpoint indicates that the new taxation is unwise for at least the following reasons:—

1. It seems clearly unfair to judge any particular year during the period of the war by itself. The taxes in any event should be so levied that at the end of the war only a fair average will have been placed upon the profits as a whole.

2. It is unfair that a joint stock company should be treated in an entirely different manner from a private firm or an individual carrying on precisely the same business.

3. Plants brought into existence for the purpose of carrying out contracts during the war should be entirely written off before anything is regarded as profit. If the plant was created in the current year it might not be just to write off the entire amount in that year, but if the war were to end and the plant had not been written off then the taxation would be most unjust.

4. One of the most unfair features is the fact that a small capital in relation to the volume of the business is taxed in an entirely different manner from the same volume of business done with a larger capital. One of the particular benefits afforded by the banks in this period has been to advance largely for the making of munitions under circumstances where a small capital has been helped out by the bonds of directors or shareholders. For all practical purposes capital secured through these bonds of guarantee has performed the same service as capital subscribed and yet the effect of the taxation in one case is markedly different from the other.

5. Everyone will admit that we should all bear as heavy a load of taxation as possible during the war, and certainly those who make profits out of munitions would, under present ideas of taxation be called upon to bear the heaviest load, but we must remember that when the war is over we shall be looking to the manufacturers who have accumulated experience and capital to carry on the many new industries which must be created in Canada, if we are to bear the load of the war debt. If this taxation has the effect of deterring such new enterprises it will be a very grave mistake.

6. We already know of cases of United States capital which has been deterred by the proposed taxation and it does not need much consideration to see that no American capital is likely come into Canada while such taxation lasts, and that the levying of it at a moment when no income tax

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Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,414,423.
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Subscribed Capital	$111,677,782.94
Paid-up Capital	23,266,202.34
Reserve Fund	19,466,400.00
Deposits (31st Dec., 1916)	$849,809,215.41
Cash Reserve	233,468,740.28

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Edward C. Pratt, General Manager

NEWS OF SECURITIES—Better Tone in Evidence

STEEL

Situation Generally Unchanged and Market Conditions Depressed Owing to Unfavorable Outlook in Russia.

By P. Bain, M.E., Editor Canadian Machinery.

Steel securities, like all others, have been adversely affected by the unsatisfactory situation in Russia, and other influences. The market has been depressed with trading narrow and featureless. There has been a decided lack of interest in steel stocks and indications point to a continuance of more or less dull conditions until the international situation becomes clearer. New York has been affected by the foreign situation and the Government financing, and the dullness there has, as is usually the case, been reflected in Canada. Notwithstanding, the steel stocks, in a number of cases, advanced one or two points in the late trading following an improvement in the New York market.

The U. S. Steel Corporation unfilled tonnage on April 30 amounted to 12,183,083 tons, as against 11,711,644 on March 31. This is a direct indication of the position of the steel market in the States. The mills are overcrowded with work of all kinds and with exceptionally heavy Government orders in sight, the prospect of meeting the needs of the private consumer is not bright. Government work is being given preference, which is probably the main reason for the accumulation of business with the corporation and independent concerns.

Steel prices in Canada are still advancing steadily, helped in their upward movement by conditions in the States. As indications point to the American Government paying nearer current prices for steel than was originally fixed, it is likely that the upward tendency will be more pronounced. Indications also point to the Government's requirements being very heavy which will result in a greater shortage of steel for other purposes. The demand for steel is as insistent as ever and shows no indications of diminishing. The most disquieting feature at the present time is the difficulty in obtaining steel for manufacturing purposes and for buildings. The Canadian companies are engaged upon the production of steel almost entirely for munitions and other war purposes, leaving the private consumer largely dependent upon the American mills for the required materials. Developments in the States are making it increasingly difficult for the private or manufacturing consumer to get steel, as the American Government requirements are assuming large proportions.

The expected advance in steel plates has materialized, the local price being now 8c for ¼ in. and ½ in., and 8.10c for heads and tank plates. Much higher prices may be looked for, as the demand is extraordinarily heavy and will continue to be so for many months yet. The fact that 11c mill was recently paid for ship plates for delivery during the first quarter of 1918 is a clear indication of what may be expected. The demand for ship plates is so urgent that it is entirely a question of getting the material, the price being practically no consideration. The situation is such that there are really no set prices on plates, sales being governed almost entirely by the deliveries wanted, tonnage, and former relations existing between the buyer and the mill. The scarcity of plates is a serious matter, as it is delaying the construction of ships. Canadian yards are dependent upon American mills for plates and ship sections and building operations are being very much restricted by the unavoidable delays in getting steel, due to the oversold condition of the plate mills. On account of the shortage of plate the number of ships built in Canada will necessarily be limited, apart altogether from the restricted building facilities.

A quotation of $50 a ton has been issued on "Victoria" pig iron, but available supplies are somewhat limited. Nearby pig iron is growing scarcer. Most furnaces are unwilling to accept orders even for small lots which require prompt or near prompt delivery unless the buyer is an old customer. Price in a majority of cases is less to be considered than the question of getting iron at all and never before have deliveries been contracted for so far ahead.

	Close May 10	Close May 17	Change
Can. Car, com.......	28⅛	28½	+ ⅜
Do., pref.	67	68¼	+ 1¼
Can. Loco., pref.....	87	88	+ 1
Dom. Iron, pref......	90⅜	90	— ⅜
Dom. Steel	59¼	61½	+ 2¼
N.S. Steel, com......	90	94½	+ 4½
Steel of Canada.....	57½	59	+ 1½
Do., pref.	92½	91½	— 1

IMPERIAL STEEL AND WIRE.

A statement has been issued to the shareholders of the Imperial Steel and Wire Co., announcing that a company will be re-incorporated under the name of the Imperial Steel Corporation, Ltd., to take over as a going concern the plant of the Imperial Steel and Wire Co. The new company will create six per cent. preferred issue of stock with dividends payable half yearly. The shares will be $5 par value. For each share of the preferred stock of the Imperial Steel and Wire Co., par value $10, there will be given four shares 6 per cent. participating preferred stock, par value $5 each, equal to $20 capital stock in the Imperial Steel Corporation. For every five shares of common stock in the old company there will be given in exchange two shares, par value $5 each, of the participating 6 per cent. preferred shares of the Imperial Steel Corporation. The participating preferred shares of the Imperial Steel Corporation will be preferred as to dividends semi-annually at the rate of 6 per cent., but non-cumulative. After the common stock has been paid semi-annually at the rate of 5 per cent. per annum, the preferred shares will be entitled to participate equally with the common stock. Owing to war conditions the plant was closed during the greater part of 1915 but for the annual period ending December 31st, 1916, the gross profits were $124,493.80. The net profits carried forward on account of operations after writing down stock repairs and inventory, paying floating liabilities, etc., amounts to $40,235.42. Sufficient orders at profitable figures have been booked to insure constant operations until the third quarter of this year. The special general meeting will be held at Collingwood, Ont., on June 5th.

CANADIAN CAR.

The Canadian Car & Foundry Co., will issue a statement shortly covering the year ending Sept. 30, 1916. It is not expected that it will show any results from the Russian shell contract as they were not completed at that date. It is understood, however, that by the time of the annual meeting, some time about the end of July, the management will be in a position to give the shareholders full particulars as to the profits made on the Russian business. The statement will cover the Canadian business only and it is believed that the profits after allowing for bond interest and depreciation will not show more than about $375,000. Pres. Curry recently stated that the company had closed an order with the Canadian Government Railways for 1,000 freight cars. The Lachine plant has just completed an order for 1,000 cars for the French government and 2,000 cars are under construction for the Russian government. The company is now producing something like 15,000 tons of steel monthly, most of which was being shipped in the form of shell forgings to the British government.

The Canada Car and Foundry Company is applying to the courts at Montreal for the appointment of two commissions in connection with the action for $1,200,000 that has been brought against it by the Robert Dollar Company, of San Francisco. The Canada Car Company desires one commission to go to Petrograd to examine a number of high Russian officials, and another to go to San Francisco and examine Robert Dollar, president of the Robert Dollar Company. Gordon W. McDougall, K.C., on behalf of the Dollar Company, opposed the granting of the petitions, holding that the evidence of the proposed witnesses was irrelevant. Mr. Justice Bruneau, the presiding judge, took the petitions en delibere.

Some curiosity had been expressed as to what provision the company had made for the $1,000,000 of 6 per cent. notes of the Canada Steel Foundries, due on October 11. In reply to a question by THE FINANCIAL POST, W. W. Butler, vice-president of the company, said that these notes had been paid off. "They have been paid off out of earnings, too," he said. Mr. Butler had just returned from a visit to the Canadian Steel Foundries plant at Welland, and says that the earnings of this subsidiary are very satisfactory. "We have about $20,000,000 worth of orders still on hand," he said. With regard to the car prospects, Mr. Butler said that the company now had in hand orders for between four and five thousand cars, and it was hoped to close other large orders shortly. "If the car business is not up to our expectations," he said, "we will probably get into the shipbuilding line. Our Fort William plant could be utilized for this purpose to good advantage." Mr. Butler declined to make any predictions or estimate of the final wind-up of the Russian car order, but in view of the enormous difficulties that had been encountered, he thought the shareholders would be satisfied with the final outcome.

"The great trouble in Canada just now," he said, "is the shortage of man-power, or rather the shortage of workers; there are evidently some slackers around yet. I saw a lot of them at Welland yesterday. Fine, big, strapping young men, whom, I was informed, positively refused to go to work, although the industries in that town are in great need of men." There has been comparatively little trading in the securities of the company this week, the preferred being up a point and a half to 68½ on light sales, and the common hanging around 28½.

DOMINION STEEL.

The activity in Dominion Iron was very pronounced on Wednesday afternoon on the Montreal Exchange, nearly three thousand shares having changed hands. The selling was mainly for the account of Toronto traders. The price advanced from last week's close of 59½ to 61. Nearly a thousand shares changed hands on Thursday morning, the price touching 61¾. The financial statement of the company for the past fiscal year is not available yet.

O'Brien & Williams recently sent a client the following opinion on Dominion Iron, in answer to an enquiry about that stock:

"There will undoubtedly be an upheaval in the steel trade after the war. The argument has been used that Europe will be a great buyer for reconstruction purposes, but it is obvious that Europe is not going to rebuild at anything like the existing level of prices. On the other hand the present acute shortage of iron and steel has permitted the iron management to make a great many advantageous contracts which, war or no war, cannot be broken, and these will yield the company a very handsome profit for quite a long time to come.

"The company's future is still further fortified by the great scarcity of coal and the fact that the country is bare of that article. Even if the war should end to-day it would be many months, and possibly years, before the coal market became normal. Even in normal times, of course, the coal end of the business has been a money-maker, but it will be a source of even greater profit to the company in the future.

"We do not care to venture a prediction as to the future price of the stock, as that will be governed more or less by general market conditions, but by reason of the company's strong cash position, the brilliant coal prospects, the company's attractive physical assets, and conservative management, we regard Iron as easily the pick of the Canadian steel stocks."

CANADIAN LOCOMOTIVE.

The sales of Canadian Locomotive stock on the Montreal Exchange were very light this week, but the price was unchanged from last week's close of 57. THE FINANCIAL POST understands that the floating supply of the stock in Montreal has been pretty well absorbed, about 5,000 shares having been picked up by Toronto buyers the past few weeks. It has been reported that this buying was for insiders.

PULP AND PAPER

An Improvement Noted in the Position of the Paper Group This Week.

By W. A. Craick.

There was a marked change for the better among the pulp and paper stocks this week, and with but a single exception prices are on a decidedly better footing than a week ago. The improvement was particularly noticeable in Riordon and Brompton, both of which had been held up as examples of companies that would suffer particularly from any increase in the business profits tax. The fact, however, that all paper stocks are selling much below their intrinsic value, in view of present high earnings, is a sufficient reason for an upward movement, and once the public appreciates this fact, there should be a very general advance.

The change for the week in the more active issues may be thus exhibited:

	Close May 10	Close May 17	Change
Laurentide	180	180	..
Riordon	115	122¾	+ 7¾
Spanish, com.	14	14	..
Do., pref.	49½	49⅞	+ ⅜
Wayagamack	70	68¾	— 1¼
Brompton	46	48	+ 2
North American ...	4¾	4¾	..
Toronto Paper	87	90	+ 3
Net change, 8 stocks			+11⅞

Paper manufacturers, owing to the pressing necessity of enlarging production in order to prevent a serious shortage of paper, are particularly emphatic in their opposition to the threatened increase in the business profits tax. Their contention is that the action of the Government would kill off enterprise and hinder the investment of capital in the industry. So strongly do they feel on the question that it is understood a strong deputation will call on the Government to urge reconsideration of the measure. Already several large developments have been cancelled in view of the difficulty of proceeding under the heavier load of taxation.

It was intimated at the first session of the inquiry into the newsprint situation in Canada last week that the scope of the investigation would likely embrace the consumption, as well as the supply, of paper. In his preliminary remarks, Commissioner Pringle questioned the necessity of producing such large papers as some publishers were doing. He exhibited a copy of the Saturday edition of a Western Canada daily, which contained between 70 and 80 pages, and analyzed its contents. If much of the matter contained in it, he contended, was unnecessary, then it was a serious economic waste to produce such publications. The attitude of the Commissioner was seconded by the counsel for the paper manufacturers, who thought that the publishers should be required to furnish information on various phases of the question of consumption.

It is suggested that the Commissioner might go further and provide in his finding that publishers should not use premiums to secure subscribers, nor accept subscriptions at less than the cost of paper and printing. Commission to agents for procuring subscriptions might also be the subject of regulation, a limit of 50 per cent. of the cost of production being a reasonable figure. Any other course would be unfair to such manufacturers as claim to be able to sell their product abroad at better prices than they are getting in Canada.

A price of 2½ cents a lb. f.o.b. mill for newsprint paper in rolls is now in force in Canada, this price having been fixed by the Minister of Customs under the authority given in an Order-in-Council passed last month. The rate is effective from March 1 to June 1. At the latter date, it is presumed a new ruling will be made dependent on conditions at the time.

MATTAGAMI PULP.

The Mattagami Pulp and Paper Company, which has under construction at Smooth Rock Falls, on the Mattagami River, a sulphite pulp mill with a designed capacity of 45,000 tons per annum, expects to start operations very shortly. The plant is being constructed of concrete and will be capable of economical production in accordance with the latest practice. A sawmill with a capacity of 4,000,000 feet per annum, is now in operation at Smooth Rock Falls. A water power development is practically completed, having a maximum development of 9,000 h.p., with a minimum of 4,000 h.p. This power will be ample for the company's needs for some time to come. The company also owns an additional water power capable of developing 4,000 h.p. per annum, situated at Yellow Falls, about eight miles above the mill. This power will be available for development as the company's business expands. This company is very fortunately situated as regards the manufacture and sale of its product.

NORTH AMERICAN PULP

The North American Pulp and Paper Company has recently completed the various extensions to its plant which were financed last year when a reorganization of the properties took place and new interests became identified with them. The St. Lawrence Pulp and Paper Corporation, one of the subsidiaries, with its extension completed, is now reaping the benefit of the extraordinarily high prices of pulp and its product is being shipped in the proportion of one-half to Great Britain and one-half to the American market. Another subsidiary, the Tidewater Paper Mills, sells practically its entire output in the State of New York. The goods are delivered by the company's own trucks to the press rooms of its customers. Marwick, Mitchell & Co., who are the auditors of the company, have completed a statement for the first quarter of the company's new fiscal year from January 1st to March 31st, and this report indicates that the prospects for the year 1917 of all these companies are particularly bright, the earnings having exceeded the expectations of the management, amounting as they do to $235,367.01, available for bond or other interest or depreciation.

WHALEN PULP AND PAPER.

An important financial deal was put through in Vancouver on Thursday of last week when the final details in connection with the merging of three pulp and paper concerns in British Columbia was announced. The new company which will be called the Whalen Pulp and Paper Mills, Ltd., has a capitalization of $10,000,000 and is headed by Jas. Whalen of Port Arthur. The vice-president is George Whalen of Vancouver who will also act as general manager. Others connected with the company are John and William Whalen who reside on the coast, Lester W. David of Seattle, E. F. Allen of Vancouver and Col. Henry Appleton of Victoria.

The Whalen company takes over the interests of the B. C. Sulphite and Fibre Co. of Mill Creek, the Empire Pulp and Paper Mills of Swanson Bay and the Colonial Pulp and Paper Mills of Quatsino, Vancouver Island. The shareholders of the latter concern decided to accept the proposal of the Whalens to sell out their interests in return for preferred shares in the new company. The Colonial company has 1,100 shareholders of whom over four hundred reside in Vancouver. The company was started five or six years ago, has a splendid plant but has lacked financial backing.

The newly-formed merger will now have over 150,000 square miles of timber properties as well as other valuable resources including immense water power assets in the vicinity of Quatsino Sound where nearly three-quarters of a million dollars has been spent in development work. It is said that there are only two or three larger mills in the province than that at Quatsino. With the operation of the three plants, the new company will have a combined output of 200 tons of paper daily.

INTERNATIONAL PAPER.

The recent strength shown by International Paper common stock has been attributed to the action of directors in declaring operative the plan to adjust 33⅓% back dividends on the preferred, states the Wall Street Journal. This action, it is felt, paves the way for a declaration on the common stock, thus enhancing the value of the stock.

However, careful survey of the situation creates some doubt on the point, as cash outlay necessary for the redemption and exchange of bonds alone will require at the least $5,000,000. This outlay is to be met from surplus earnings of 1916 and the current year. From the present outlook the company's net earnings for this year will approximate $3,500,000 and as cash expenditure under the bond plan alone may well be in excess of double this amount the company will be in no position for any declaration on the common until well into 1918 at the earliest.

The president of the company at the annual meeting made the statement that for the future safety of the company it will be necessary to spend large amounts for purchase of woodlands in Canada and further development of properties. This will mean a consequent reduction in earnings and when one considers that at the close of the war competition may well put the earnings back to near the level of 1912-14, about $2,000,000 per annum, and that dividends on the preferred alone will approximate $1,500,000, chances for a common dividend are not of the brightest.

The feeling is becoming more prevalent among stockholders that International Paper Co. is largely overcapitalized, that is, that normal earning power of the company is not sufficient to take care of a capitalization of nearly $50,000,000 in addition to a bonded indebtedness of $20,000,000. The company states that only $7,500,000 bonds are to be issued at this time, the remainder to be held in reserve for improvements, etc., but it is believed that a further issue in the near future will be necessary.

LAURENTIDE.

The firmness with which shares of the Laurentide Co. are held is illustrated by the complete absence of transactions in this security. For several weeks past, trading has been practically nil. The

stock is pre-eminently an investment issue and holders show little inclination to sell even in face of the depression through which the market has latterly been passing. A bid at 173 for 10 shares was made on Wednesday, but it failed to bring out any stock. The last previous sale was recorded on May 7, when 130 shares sold at 180.

RIORDON.

Riordon was the outstanding feature of the paper group this week. The company is earning very large profits, and will be in splendid shape when the readjustment period comes, notwithstanding the large percentage that will be collected by the Government. From a close of 116 last week the price advanced steadily this week. Sales were made at 117¾ Tuesday, but the buyers on Wednesday paid 120, while on Thursday morning the price reached 121¾, the closing sale in the afternoon being made at 122¾, the high of the day and week.

TORONTO PAPER.

The excellent statement of the Toronto Paper Company, which indicated that this industry was now earning record profits, is still being reflected on the market and careful students of the situation are realizing that Toronto Paper stock, with the company's good prospects, is cheap at present levels. During the week there has been light but persistent buying, which has carried the price up to 90.

SPANISH RIVER.

A few sales of Spanish River common were put through this week between 13½ and 14, which is slightly under the levels prevailing during the past few weeks. The preferred was also dealt in, in single lots, at a shade under 50.

WAYAGAMACK.

Continued weakness in Wayagamack was the only unsatisfactory feature of the week's business in pulp and paper shares. The stock opened the week at 70 and on Thursday sold 1¼ points lower, at 68¾.

BROMPTON.

Brompton responded to the improved sentiment induced by the strength in Riordon and sold up during the week from 46 to 48, closing at the latter figure.

TEXTILES

Securities Have Performed Well On a Generally Dull and Weak Market.

By H. H. Black, Editor Dry Goods Review.

Despite the general dullness of the market and the tendency of security prices to lower levels—a tendency which, however, was departed from to a moderate extent in the late trading—the textile securities continue to maintain their position and the reputation for stability which they have held for some little time. As will be seen from the accompanying summary of quotations the price movements have not been wide during the week but the majority of the stocks show an improvement from half to a full point:

	Close May 10	Close May 10	Change
Can. Cottons, com.	51½	52	+½
Do., pref.	78½	79	+½
Dom. Textile, com.	86½	86	—½
Penmans, com. ..	69	70	+ 1

The volume of trading has been small and the market has been thin on both sides. Any evidence of either buying or selling on anything but a very small scale has immediate effect on prices. Investors generally are showing a tendency to hold on and await developments.

The cotton manufacturers have strenuous conditions to contend with. The market for their raw material is very uncertain, and labor is short. However, the industry is on a solid basis, the consuming market is satisfactory and by following a conservative policy reasonable protection is afforded as regards raw materials. Improved machinery which many of the companies have installed during the last few years is now proving of great benefit in offsetting to a large extent the shortage and costliness of skilled labor.

Late reports are to the effect that the cotton market is steadier, the announcement of the American loan to Russia and the general improvement of conditions in that country evidently having a favorable effect. Further so far as cotton is concerned there was a feeling on the market that the money advanced to Russia would be used in the purchase of cotton.

The wool situation is also very strong with the outlook indicating a continuation of high prices.

MONTREAL COTTONS.

When sales of Montreal Cottons common took place early in the week at 50 there was a decline indicated of 2 points from the previous price at the end of April. The high for the year was 58 and the low 50½. There appears to be no other explanation for the recent readjustment than the general trend of the investment market. The preferred has been inactive this week but sold last week at 101½ showing practically no change as compared with previous sales of the past month or so.

PENMANS.

Steady business, with all the mills can attend to, at assured profits, continues to be the record of this industry with its many branch mills. The common opened at 70, compared with 68-69 last week; eased off to 69 and went up to 69¾, so that it is recovering some of the ground that was lost after active trading following on the extremely favorable annual statement drove the stock up to 73½ six weeks ago. The preferred was quiet. Last week's sales were at 83 and 82.

DOMINION TEXTILE.

Dominion Textile with its splendid showing for the past year, continues to be a popular seller at the higher level that was reached last week. Closing at 86½ last week, it opened this week at 86, lost half a point, and then came back. In the preferred no sales were made.

MONARCH KNITTING.

This stock again had a quiet week, no shares coming out until Wednesday, when 42 were sold at the familiar figure of 40. This has been exactly the same since the first of the year. No preferred were sold, and the last sale recorded was at 80, some five weeks ago.

CANADIAN CONVERTERS.

The Canadian Converters, of Montreal, have commenced the manufacture in one of their factories of small boys' wash clothing. This is a line which has never been very largely made in Canada, perhaps from 60 to 70 per cent. of the large sales being of goods brought in from the United States. This company has been meeting with good success with the similar line of small boys' blouses.

There has been no trading in the company's securities recently on the stock exchanges and little to indicate the opinion of traders. The last sale of the common was towards the end of last month, and the price was 41.

CANADIAN COTTONS.

The appearance of the very satisfactory report of Canadian Cottons had practically no effect upon the stock market, and it had quite evidently been largely discounted. However, apart from the figures, the report of the president, C. R. Hosmer, should be very well received by the shareholders, as it indicates that the company is meeting such problems as those created by the shortage of dyestuffs and labor in a manner that will not seriously reflect upon earnings.

Common slightly lower and preferred up, was the experience of the stock this week. Where common last week sold at 52, it has dropped ½ point, with few transactions. The preferred opened at 78½, the same as last week, but advanced on Wednesday to 79 and 79¼, with 150 shares dealt in.

MINING STOCKS

Early Improvement During the Week Was not Maintained and Prices Again Reacted.

During the forepart of the week there was some slight improvement in quotations for the more active mining shares and part of the loss sustained in the previous week was recovered but prices later sagged again, the net result being a very small gain for the seven days. Trading was at a very low ebb and only on Monday did sales on the Standard Exchange exceed 100,000 shares. In point of business transacted, this has been the poorest week since the depression developed. Changes in the principal stocks range as follows:—

	Close May 10	Close May 17	Change
GOLD—			
Hollinger	4.75	4.70	—.05
Dome Mines ...	11.50	12.50	+1.00
McIntyre	1.55	1.53	—.02
Newray	.78	.74	—.04
West Dome . .	.19	.21¾	+.02¾
Dome Exten. ..	.12½	.14½	+.02
Boston Creek .	.75	.75	.....
Vipond	.38	.39¼	+.01¼
SILVER—			
Beaver	.35	.34½	—.00½
Hargraves	.11	.12	+.01
McKinley	.51	.51	....
Temiskaming...	.40	.40½	+.00½
Nipissing	7.35	7.45	+.10

The labor situation has progressed one stage further towards ultimate settlement. On Tuesday, officials of the miners' union mailed letters, containing the wage scale as adopted by the miners' convention, to the various mine managers. The letters contained a request that the managers should agree to meet committees of the men and endeavor to bring about a peaceful settlement of all differences. The managers are given until May 31 to reply. What the answer, if any, will be, is uncertain and it is rumored that the larger operators will ignore the letters entirely. Meanwhile, the uncertainty surrounding the case, is deepening.

The *Northern Miner*, addressing those who are inclined to sell out their holdings in Hollinger, Dome and McIntyre in anticipation of a certain of production, reminds them that if a curtailment of operations is necessary, there will be that much less depreciation of reserves. The metal is still there to be mined, when temporary difficulties are removed, or in other words, the gold of Porcupine will be as valuable if taken out when conditions are normal as if taken out now.

Silver has been unchanged all week at 74⅞ cents, which is ¼ of a cent higher than the price on Friday of last week.

On May 3, Samuel Montagu & Co., London, wrote:—"The silver market remains narrow and sensitive, and, as has been the case recently, very little buying or selling has an effect on the market totally disproportionate to the amount changing hands. For instance on Friday quite a moderate amount of buying caused a rise of 5/1 6d., and a few further orders on Monday were responsible for a similar movement of 3s. 8d., and to-day of 1s. 4d. New York has ben selling very little here as the American Mint is again buying for its own requirements at the rate of some 490,000 ounces weekly."

DOME MINES.

After its break to $11 last week following the fifty per cent, reduction in dividend, the position of Big Dome shares has shown some improvement. On Monday the stock advanced to $12.50 and on Tuesday to $12.75. Since then it has eased off to $12.50 again.

BEAVER.

Developments at the lower contact continue to attract attention. A fair tonnage of high grade ore is being broken down from the stope of the vein, encountered early in the year. Trading in Beaver shares has been fairly light this week at from 34½ to 36.

PORCUPINE CROWN.

Operations at this mine are progressing favorably, development work being concentrated on the 800 and 900-foot levels. Net earnings are continuing comparatively favorable and no reduction in the dividend is anticipated unless a curtailment of operations is necessary through possible labor difficulties. The price of Porcupine Crown shares has been fairly steady of late around 60.

NIPISSING.

During April the Nipissing Mines produced ore to an estimated value of $259,082 and shipped bullion approximating a net value of $517,719. Results from the month's underground exploration and development were devoid of any unusual features. The high grade mill treated 171 tons and shipped 703,657 fine ounces of silver. The low-grade mill treated 5,829 tons.

Trading in Nipissing remains very light, only two transactions occurring on the Standard Exchange, the first at 7.25 and the second at 7.45.

HOLLINGER.

There is as yet no cessation of the prosecution of the big expansion program. Since the taking of a census of the alien enemies in the Porcupine camp a move towards higher efficiency has been noticeable among the miners. As a result plant installation is proceeding more rapidly, while underground operations continue satisfactory.

From a low of 4.65 last week Hollinger shares advanced to 4.95, but weakness again developed and on Thursday there was another recession to the low point of 4.65.

McINTYRE.

It was reported during the week that the McIntyre management were planning to double the capacity of the McIntyre mill, in order to enlarge the capacity to 1200 tons a day. The installation of a new 3,000-foot air compressor will be rushed and this with the four machines already in operation, will provide a total capacity of 7,000 feet. It is now estimated that the McIntyre has ore reserves in excess of 1,000,000 tons, or sufficient to keep the mill running for six years.

McIntyre shares, after advancing to 1.60 on Monday, have again weakened, declining to 1.51 on Tuesday, recovering to 1.57 on Wednesday and dropping off again to 1.53 on Thursday.

TEMISKAMING.

The workings at the 1600-foot level have been connected up with those on the Beaver at that depth and a cross-cut is being driven to tap the Beaver vein. This cross-cut is already well over 100 feet long. Four machines are employed in the operations on this level and at an early date, the main shaft will be continued to the 1800-foot level.

From a low of 39 last week Temiskaming recovered by Monday to 43, but there was subsequently heavy liquidation which carried the price back to 40.

SCHUMACHER.

Schumacher's annual statement is expected shortly. It is understood that developments of the past nine months have been entirely satisfactory. An extensive diamond drill campaign has been prosecuted and the grade of ore located at depth is reported to show marked superiority over the ore previously encountered. Up to the present time it has been the policy of the company t utilize all net profits to expand the scope of development and exploration. Due to this fact the surplus has not grown, but the property is in excellent shape. The mill is at present treating 3,000 tons of ore monthly and the bullion recovery approximates $20,000 a month. Operating and milling costs average $16,500.

RAMBLER-CARIBBOO.

The Rambler-Cariboo Mines of British Columbia recently paid another dividend of one cent a share on its 1,750,000 issued shares, making a disbursement of $17,500. In 1916 the company paid dividend of $87,500 and in 1915, $35,000, makinging a total of $140,000, since dividends were resumed in 1915. Up to about fifteen years ago the total of Rambler-Cariboo payments was $230,000, so that the grand total is now $370,000.

HILLCREST COLLERIES.

The sale of 100 shares of Hillcrest Colleries common at 14¾ on Tuesday last, was the first transaction that has taken place in the securities of this company during the past couple of years. Previous to this sale there had been no quotation for either the preferred or the common for a long time. The Hillcrest Colleries, is one of the few Western mining companies that paid any dividends last year. The situation at the present time is very unsettled. The miners are out on strike for higher wages, and in the meantime the mines are idle. The men were granted two bonuses the past year, even before their agreement had expired. J. M. Mackie, managing director of the company, on being interviewed by THE FINANCIAL POST, said that the representative of the men and the operators were now in conference, and he hoped that an agreement would be reached and work resumed at an early date.

In 1913 this stock sold as high as 47¾ and as low as 25. In 1914, the range was from 45 high, to 21 low. The isolated transaction on Tuesday was the first sale since 1914. Had it not been for the unfortunate explosion which resulted in the death of a large number of men involving a heavy monthly loss to the company, it is probable that a distribution would have been made on the common in 1913. Both the preferred and common are rather closely held. After the sale was made yesterday, the stock was quoted at 14¾ bid for the rest of the day.

CROW'S NEST COAL

Some sales of Crow's Nest Coal have recently occurred at 50. President Elias Rogers, speaking of the strike situation, is quoted as saying "That a very large majority of the miners are in favor of going back to work," and he expects that they will be back at work within the next few days. "The duly-elected representatives of the miners definitely agreed to the wage increases which were to obtain until the end of the war and this agreement was signed, sealed, and delivered to us. Hence, from the company's viewpoint, there is no excuse for a prolongation of the labor troubles.

"The increases granted by the mine owners were liberal and consisted of 5 per cent. increase in wages and the continuation of the war bonuses until after the end of the war. The miners' official representatives agreed to this; and it is only the agitation started up by some of the men who failed of election to office—that has resulted in the men not going back to work. The situation seems to be much better at the present time and we expect our men to shortly return to work."

MILLING

A Quiet Week in Milling Securities, Despite the Developments in Wheat Market.

By J. L. Rutledge, Editor Canadian Grocer.

There was another comparatively quiet week in the trading in Canadian milling securities. The general situation has been of a very unsettled nature. The regulation of the Chicago pit and the closure on the trading in May option had a decided effect. On the Chicago, July dropped from an opening of 2.70 on Monday to a close of 2.30 on Wednesday. While the variations at Winnipeg were not quite so pronounced, there was a decline in October option from 2.45 on Saturday to a close of 2.07 for Wednesday. Even the dismal statement from the Dominion Census Office that 23 per cent. of the winter wheat had been winter-killed did not have the effect of stimulating the market. Cash wheat has also declined some cents since Saturday last. As a result of this, flour declined quite sharply on Wednesday of this week. There has been a general feeling that some of the mills have been advancing prices somewhat too readily in accordance with the wheat market, when they had actually large supplies in advance. It was probably partly under the influence of this feeling, and partly under the influence of the declining wheat market, that the new flour prices were registered. Lake of the Woods, which had not advanced its prices as sharply as some of the other mills, dropped its price 50 cents; Ogilvie dropped 1.10. making the present price of these two mills $15.40. Western Canada mills dropped $1 to a price of $15.50. There was also a decline of 60 cents in Ontario winter wheat flour.

MAPLE LEAF.

There was some slight increase in the activity of Maple Leaf stock during the past week. The financial statement of the company, which is in course of preparation, is expected to indicate a very satisfactory volume of business during 1916. With the largely increased export business of this company, and its domestic business well up to the mark, it is felt that the earnings of the company are sure to show a marked increase. The bulk of the trading in this stock was at 105 but there was a considerable slump on Tuesday when it sold off to 103. There was no particular weakness, however, indicated by this decline but rather sluggish demand. The preferred held fairly close to the normal average of 94; on Tuesday the preferred also sold off slightly in sympathy with the common.

OGILVIE.

The stock of the Ogilvie Milling company showed somewhat more activity than in the previous week. Sales on Friday of last week were made at 144, while sales during the early part of this week showed a slightly stronger feeling with an advance of half point. In the preferred there was the same activity noted.

LAKE OF THE WOODS.

The stock of the Lake of the Woods Milling Company remained in a more or less dormant condition. There has been no trading in this stock for some weeks past in either the common or preferred, and the whole bulk of trading for the year has been of a very light order. The last recorded sales were made at 126 for the common and 116 for the preferred.

SHREDDED WHEAT.

There continues to be some activity in Shredded Wheat common. Beginning with Wednesday of last week the first activity displayed in some time took place. All the transactions were at a 3 point decline on the last previous recorded sale, bringing the present figure to 132. There has been no activity in the preferred for some months, the last recorded sale being at 95.

TRANSPORTATION

Developments Following Commission Report at Ottawa are Being Awaited.

Interest in transportation circles continues to centre in the situation created by the report of the Royal Commission on the railway problems of Canada. Eyes are turned to Ottawa for the next developments, and in this connection THE POST'S correspondent at the capital reports that there was some surprise at the statement of the Minister of Railways to the effect that the Government's policy would be announced shortly, considering the fact that the majority and minority reports have not yet been considered by the cabinet. However, it is conceded that Mr. Cochrane may have been speaking "politically." Chairman Smithers, of the Grand Trunk,

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

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JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

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INCORPORATED 1832

CAPITAL, - - $ 6,500,000
RESERVE, - - 12,000,000
TOTAL ASSETS, - 100,000,000

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G. S. Campbell — S. J. Moore — W. W. White, M.D.
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UNION BANK OF CANADA

Dividend No. 121

NOTICE is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the UNION BANK OF CANADA, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its Branches, on and after Friday, the 1st day of June, 1917, to Shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, 1917, both days inclusive.

By Order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, April 19th, 1917.

NEWS OF SECURITIES

Continued from page 3

has come to Canada to give the matter his attention, and is carefully considering the reports before making a statement on behalf of the company. Sir William Mackenzie and Sir Donald Mann are in Ottawa in connection with the issue, as it concerns the Canadian Northern, and an official statement from that company may also be looked for in the very near future.

The financial side of the problem has been receiving considerable attention.

The difference between Mr. Smith's report and that of Sir Henry Drayton and Mr. Acworth is that the latter makes the Government the borrower with the direct liability, tending to lead almost inevitably to Government ownership. The Smith report requires endorsement only, if needed, as, of course, it will be, with a property pledge and a provision for redemption, with reversion to the endorser in the event of default.

Reports from London in connection with the discussion of the report indicate that Canadian Ministers, when there, left a confident impression among bankers and financiers that, seeing how much Canada had depended in the past and would depend in the future upon British economic support, it was inconceivable that any Canadian Ministry would enforce terms of purchase which would be confiscatory of even junior securities of these projects. Grand Trunk ordinary and some preference stockholders are not prepared to see the majority report adopted and their capital almost wiped out without the most vigorous public protests, which would inevitably leave the nastiest anti-Canadian impression with the investing public.

Arthur W. Kiddy, editor of the *Bankers' Magazine* and finance editor of the *Morning Post*, urges that Canada would be most unwise to prejudice financing of all Canadian enterprises from London. Means should be found for shareholders to retain their stake in the future of roads like the Grand Trunk.

The railways are pressing their demands for increased rates. In their application it is stated that the costs of materials and supplies, in some cases, have gone up 100 per cent. The Canadian Northern Railway Company, in its argument, shows an estimated increased cost of materials and supplies of $5,190,945 in 1917, for the same quantity as purchased in 1916. The Canadian Pacific Railway Company, in its comparative statement, declares that the increased cost of materials needed in 1917, over the same quantity purchased in 1915, is 45.9 per cent., or $3,701,135. The coal bill is $9,494,416, or an increase of 68 per cent.

The Grand Trunk Railway's statement points out that the bill for locomotives in 1915 was $6,006,000, and for the same number this year, the bill will be $8,918,000. The costs of box cars have been increased 80 per cent., rails 67 per cent., and coal 140 per cent. The 1915 coal bill was $4,806,000; the 1917 bill will be $11,587,500.

GRAND TRUNK.

As has been previously intimated by the POST, the Grand Trunk Railway is opposed to the nationalization scheme outlined in the Drayton-Acworth report, and it is believed this has brought A. W. Smithers, Chairman of the Board of Directors, to Canada. The London board of the Grand Trunk and Grand Trunk Pacific resents the imputation cast by the Drayton-Acworth report on the financial strength of the Grand Trunk.

It is understood the Grand Trunk directors desire the nationalization of the Grand Trunk Pacific if they are relieved of further financial responsibility for their road, and are reimbursed to the extent of their investment in the western company. They will fight the nationalization of the Grand Trunk System, and are prepared and have the financial resources to make any improvements or additions to equipment required. It is also understood that a Canadian board in charge of policy and management will be forthcoming if the road remains an independent company.

For the week ending April 21, the gross earnings of the Grand Trunk Pacific Railway amounted to £21,977 compared with £26,373 for the corresponding period in 1916, a decrease of £4,396. For the year to date the earnings were £276,508 compared with £289,889, a decrease of £13,381.

For the second week in May the gross earnings of the Grand Trunk Railway System amounted to $1,356,646 as compared with $1,076,436 for the corresponding period in 1916, an increase of $280,210, or 26.1 per cent., which compares favorably with gain shown in the previous week of 10.1 per cent. Following are comparative figures since the beginning of April:

	1917	1916	Inc.	%
Apr. 7	$1,215,768	$1,155,486	$ 60,282	5.2
Apr. 14	1,103,119	1,024,305	78,814	7.7
Apr. 21	1,085,031	1,059,661	25,370	2.4
Apr. 30	1,481,293	1,445,853	35,440	2.4
	$4,885,211	$4,685,305	$199,906	4.2
May 7	1,135,091	1,030,768	104,323	10.1
May 14	1,356,646	1,076,436	280,210	26.1

Pacific Great Eastern

The Government of British Columbia has issued a writ against the Pacific Great Eastern Railway, its subsidiaries, the directors and contractors for an accounting of the monies received from the sale of Government guaranteed bonds. The following are named in the writ: The Pacific Great Eastern Ry. Co., the Pacific Great Eastern Equipment Co., John W. Stewart, Patrick Welch, Timothy Foley, D'Arcy Tate, F. Wilson and E. F. White. A sum totalling $14,000,000 is sought from the directors of the company.

The writ asks that the share capital of the P. G. E. Ry. to an amount of $24,960,000 be cancelled and declared to have been given them without consideration. It is also asked that the capital of the development company be cancelled, or that in the alternative the defendants be forced to pay up the full value of the shares. It is further claimed that Foley, Welch, and Stewart went into the contracting business while directors of the railway, which action was illegal. The claim is made that the railway paid out large amounts in excess of the proper amounts according to the contract. Several of the directors named above are said to be sojourning in the United States at the present time. Extradition proceedings will probably be taken.

CANADA STEAMSHIP LINES.

Canada Steamship Lines has concluded an arrangement with the Montreal Board of Control for the operation of the ferry service between the city and St. Helen's Island, for the sum of $22,000, the company to have charge of the refreshment privileges as well. The effect of the arrangement is that the city will again undertake to supply the public with a free ferry to and from the island, both for children and adults. In a letter to the city the company stated that it calculated the cost of operating the ferry this season would amount to $30,000, but as the company desired to control the quality of the articles sold on the island, and also to improve the aspect of the island in general from a public point of view, they had decided to send in a bid for $22,000. According to the agreement the company will put the Longueuil and the White Star on the ferry service. It is believed that the company will recoup itself for the reduced contract price of the service by the refreshment privileges. There has been comparatively little trading in the securities of the company this week, but fractional advances to 87 for the preferred and 39 for the common were recorded.

GRAND TRUNK PACIFIC.

Grand Trunk Pacific officials report that large numbers of settlers are going into Alaska each month. Steady progress is being made on the Government railway, between six and seven thousand men being employed on this work. The line runs from Seward on the Gulf of Alaska to Fairbanks on the Yukon and penetrates one of the richest regions of the Northland. Trained agriculturists have been employed by the United States Government to assist settlers. Never before in the history of Alaska have so many homesteads been established as during the past year.

THE SOO SYSTEM.

The report of the Minneapolis, St. Paul and Sault Ste. Marie Railway for the year ending December 31st, 1916, showed gross earnings of $21,576,320, and net of $9,518,175. These figures showed a material increase over the previous year, when the amounts were $17,817,855 and $6,758,260 respectively. Income from other sources also showed an increase, with the result that total income at $10,621,427, compared with $7,802,226 in the previous year. Following are comparative figures:

	1916.	1915.	1914.
Gross	$21,576,320	$17,817,855	$18,717,689
Net	9,518,175	6,758,260	6,508,461
Other inc..	1,103,251	1,043,965	1,083,244
Total inc..	$10,621,427	$ 7,802,226	$ 7,591,705
Charges ..	5,362,831	4,828,222	4,738,203
Surplus ..	$ 5,258,595	$ 2,974,003	$ 2,853,502

This is the first report of the company which has been made to cover the period of the calendar year, the company's fiscal period in the past having ended June 30th. The change is in accordance with an order of the Interstate Commerce Commission, requiring all common carriers to make their reports to that body for calendar years.

Dealing with the entire system and comparing the year's results with those of the preceding year, the gross earnings increased $3,610,717.24. Net earnings increased $2,477,359.01, and the surplus income increased $2,316,020.27.

The increase in freight revenue was $2,812,514.98, largely due to increased shipments of iron ore, lumber, coal, building materials and merchandise.

The 1916 grain crop of the Northwest was much smaller than the 1915 crop, and this is reflected in the earnings for the last six months of the year, there being a decrease of $777,308.60 in freight revenue, notwithstanding the increase in other lines of traffic.

The increase in passenger revenue was $587,310.48, due to increase in number of passengers carried and increase in average receipts per passenger per mile.

Operating expenses increased $1,133,358.23, due to increase in business handled during the year and the higher cost of labor and material.

CANADIAN PACIFIC.

It seems likely that the earnings of the Canadian Pacific Railway for the twelve months ending June 30, 1917, will set a new high record, exceeding those of the corresponding period a year previously by from one million to three million dollars. At this rate the operating revenues for the year ending June 30 next would be approximately $52,300,000, against $49,225,820 last year. Estimating charges and special income at approximately the same figure as a year ago, net for stock would be between $49,000,000 and $50,000,000, while balance for the common would be equivalent to nearly $18 a share, against $16.53 in 1915-16 fiscal period. And if special income returns keep up throughout the year at the pace set in the first six months, from $2,000,000 to $3,000,000 will be added to net profits.

An act to facilitate certain financial arrangements between the Government of the United Kingdom of Great Britain and Ireland and the Canadian Pacific Railway Company has been brought down at Ottawa by Sir Thomas White, Minister of Finance. For the purpose of making financial provision for the prosecution of the war, Sir Thomas explained, the British Government had taken over and acquired, and proposed to take over and acquire, by compulsory purchase or otherwise, from persons resident in the United Kingdom, certain securities of the Canadian Pacific Railway Company, and of the companies whose lines are leased to the Canadian Pacific.

The immediate purpose of the British Government in taking over these securities was to make them available for raising money on this side of the Atlantic, thereby assisting the exchange situation, which for a considerable time had been adverse to Britain.

C.P.R. sold this week at 158¾-160, which shows little change from last week. In discussing the recent Canadian Pacific report, the London Statist, which is one of the most conservative financial publications in England, has a two-page article headed "Canadian Pacific Economies," which says that though the volume of traffic was all that could be desired, 1916 was one of the most difficult years ever experienced. Enormous business had to be handled with a serious shortage of cars, while the cost of material was rising by leaps and bounds; fuel and wages were advancing, and labor was scarce and less efficient. Had not the road been vastly improved in recent years, and the capacity greatly increased, serious congestion must have occurred, making proper control over expenditure impossible. The Statist alludes further to the great improvement in train and carload statistics and to the increased economy shown by the conducting transportation ratio. It thinks that, notwithstanding the advancing costs, the net earnings and profits for 1917 will compare favorably with those for 1916, and that there is every likelihood that the growth of the company's activities will prove as wonderful in the future as in the past.

The Canadian Pacific Railway Company's gross earnings for the week ending May 14, amounted to $3,123,000 compared with $2,592,000 for the corresponding period in 1916, an increase of $531,000 or 20.5 per cent. Comparative figures follow:

	1917	1916	Inc.	%
Apr 7	$2,830,000	$2,482,000	$348,000	14.5
Apr 14	2,833,000	2,577,000	256,000	10.0
Apr 23	2,708,000	2,343,000	365,000	15.7
Apr 30	3,665,000	3,166,000	499,000	15.8
	12,036,000	10,568,000	1,468,000	13.9
May 7	3,065,000	2,763,000	302,000	10.9
May 14	3,123,000	2,592,000	531,000	20.5

ELECTRIC RAILWAYS

Stocks Have Been Generally Steady But Little of Recent Decline Recovered.

The Electric Railway and other utility stocks have during the week shown steadiness and some tendency to improve although for the most part there was little of the set-back of last week recovered. The situation remains unsettled with investors showing a disposition to await developments. Canadian securities are affected by the labor situation and the high cost of materials while in addition to these factors there is in the United States the additional factor of the new war taxation and the general unsettledness of the investment market owing to the big government flotation.

Considerable interest is being taken in the efforts of the New York State Electric Railways association which heads a movement for a 6 cent fare by street railway companies or as an alternative to this proposal a charge of one or two cents for transfers. The argument in favor of higher fares is that the cost of transportation has been going up in every department and that in relation to actual expenditures the present rates do not allow of a sufficient margin of profit. In Canada little has been done in this connection but it is quite evident that with the present scale of operating costs the cheap tickets being given in some cities are not warranted.

It is interesting to note that in connection with the recommendation of the majority report of the Royal Commission on the railway situation, recommending nationalisation of all systems with the exception of the C.P.R., Sir Adam Beck states that in his belief the government would be justified in electrifying the main lines and in making it possible for the Hydro Electric commission to take over and electrify a considerable portion of the lines including branch lines of the C.N.R. and G.T.P., contending that this would eliminate a large amount of wasteful duplication.

MONTREAL TRAMWAYS.

The officials of the Montreal Tramways Company are watching with considerable interest the fight that is being made by the tramways companies of New York for six cent fares. Several tramway companies of Massachusettes are also asking for permission to increase the fares to six cents, claiming that the high cost of operation will force them into liquidation unless they are permitted to increase the rates. It is asserted that conditions in Montreal are much the same, and if they are long continued profits will unquestionably be affected. The Tramways Commission is still sitting behind closed doors, but no report has been made as to their progress with the preparation of a new charter. The city engineer reports a marked improvement in the suburban traffic to Bout de L'Isle for the week ending May 5.

The first sale in Montreal Tramways stock in several months occurred this week. The price was 144, which compares with 175 during the latter part of April, and 181 at the opening of the year.

DULUTH SUPERIOR.

For the first week in May the gross earnings of the Duluth-Superior Traction company amounted to $28,889 as compared with $23,470 for the corresponding period in 1916, an increase of $5,419, or 23.1 per cent. For the year to date the earnings were $536,477 compared with $451,221, an increase of $85,256, or 18.9 per cent.

BARCELONA.

There has been very little trading in Barcelona for some weeks, and the slight fluctuations in the price have not indicated any important change in market opinion. Sales this week were around 11½ and 11.

BRAZILIAN.

With continued improvement in the exchange situation, Brazilian is throwing off all other market influences and is steadily gaining in strength. In the late trading the price touched 41, which is the highest mark since the slump occurred about a month ago.

DETROIT UNITED.

Detroit United has, during the week, been one of the most active of the stocks traded in on the Montreal Exchange. The price has ranged from 112 to 113½, and the tone has been generally strong compared with the general trend of the traction stocks. Regarding the company's general operations it is pointed out that there has been direct benefit as the result of the rapid growth of Detroit and its surrounding district. Among the larger public utilities of the continent there was probably none which approached the company's earning expansion in 1916. Gross earnings for the year showed an increase of 28 per cent., and net income an increase of 47 per cent., as compared with the previous year. The increase in net income, alone amounting to $920,030, was $170,000 more than the company had been distributing annually in the six per cent. dividend. The dividend is now going to an eight per cent. basis.

DULUTH SUPERIOR.

Since Duluth Superior dropped to 47½ at the end of last week there have been no further sales, and offers at 49 do not attract buying attention. The decline from 50 came in a few days, and indicated the general weakness of the traction stocks at that time. Since then they have been holding their own, but have not shown much recovery.

ILLINOIS TRACTION.

Although there have been no sales of Illinois Traction during the week, the market indications are that the prices have weakened. For instance, while last sales of the preferred were at 87, offers at 83 this week received no attention.

TORONTO RAILWAY.

Toronto Railway has shown some improvement this week, moving up to 80 after declining to 76 at the close of last week. The former figure shows practically no change from the first of the month, although it compared with a high of 88 in April.

WINNIPEG ELECTRIC.

The weakness of Winnipeg Electric has again made itself evident this week, and the price dropped below 49. This compares with 55 last week, 69 at the end of March, and 80 during the earlier part of that month.

LIGHT AND POWER

The Halifax Power Company, which seeks to get a chance to supply municipal and other lighting in Halifax, is given another chance, but a rather slim one. Its latest proposal is to give to the city of Halifax $400,000 of its bonds in return for $400,000 cash to be used in development, the city to receive also 51 per cent. of the common stock of the company. The Legislature has passed a bill permitting this matter to be submitted to plebiscite of the ratepayers of Halifax. The proviso which makes the chances of the company somewhat problematical, however, is the clause setting forth that at least one-third of the total number of votes must be polled and that 60 per cent. of these must be favorable.

The Nova Scotia is now in possession of the civic and other lighting contracts in Halifax, and they look upon the Halifax Power Company as a rival of more or less possible danger. One of the larger shareholders in the Halifax company, A. W. Redden, some time ago sold out his holdings to interests representing the Nova Scotia Tramway Company, so that that prosperous concern has a tangible, but not a controlling interest in it.

There is a good future for electric and power companies in Halifax in view of the proposed new dock and shipbuilding plants and the electrification of the new ocean terminals.

The Legislature at its recent session hit somewhat hard at the Nova Scotia Tramways and Power Company when a bill was passed ordering the Board of Public Utilities to arrange the details for the issuing of reduced tickets on the street cars at the noon hour and also in the evening. Tickets are to be sold at the rate of 8 for 25 cents. Previously workmen's tickets were sold in the morning hours only at ten for 25 cents.

CIVIC INVESTMENT.

Under pressure of comparatively heavy liquidation, Civic Power was forced down to 77½ last Saturday, a new low level for the year. Various reasons are assigned for the selling, one of which was the reported shortage of coal. The officials of the company state however, that the company has plenty of coal for its present needs, and while the high price will have a tendency to restrict the margin of profit on the gas business, there is no suggestion that the dividend will not be maintained at the present rate. Another theory is that the selling was to protect war loan commitments, the second payment falling this week. The recent decline made a fraction over five points down from 82⅝, the high of the present year. The stock has since firmed up to 78.

QUEBEC RAILWAY.

Arbitration proceedings have been opened at Montreal in connection with the land expropriated from the Quebec Railway, Light, Heat & Power Company, on which the new C.P.R. station now stands. The land was first of all taken over by the Government and transferred to the C. P. R. A number of expert witnesses will be heard on both sides. The claim of the Quebec Railway, Light, Heat & Power Company is for slightly over $800,000.

SHAWINIGAN.

Shawinigan has continued as one of the steadiest features of the utilities section during the week, practically all sales taking place at 121½, or at the same level as last week.

CONSUMERS' GAS.

Only one share of Consumers' Gas changed hands this week. The price

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CANADIAN COAL FIELDS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 3rd day of May, 1917, incorporating Frank Hodley Phippen and Archibald James Reid, both of His Majesty's counsel learned in the law for the Province of Ontario, Reginald Herbert Montague Temple, solicitor, William Bowler and Frederick Charles Allen, clerks, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:— (a) To purchase, lease, or otherwise acquire coal fields and coal lands, ore bearing properties, mineral lands, mining locations, mining and surface rights, timber limits, wood lands, and timber lands, oil fields and privileges, natural gas lands and properties, water lots, water powers and privileges and other rights, privileges, easements and licenses; (b) To lay out, construct, purchase, lease or otherwise acquire, maintain, operate and manage; (1) Mines of coal, iron or other minerals whatsoever, oil wells and wells of natural gas, or any products or by-products of any of them, mining structures, plant, mills, pipe lines, buildings, machinery and appliances of every description; (2) Power houses, structures, plant and equipment for the development, generation, transmission or utilization of water, steam, gas, electric or other powers and structures and plant for any form of heating and lighting; provided, however, that the sale, transmission or distribution of electric, pneumatic, hydraulic or other power or force beyond the lands of the company shall be subject to local and municipal regulations in that behalf; (3) Steamships and vessels, piers, docks, drydocks, wharves, slips, basins and all incidental structures and appliances; (4) Bridges, roads, tramways on lands owned or controlled by the company, aerial carriers, trails and ways of every description, yards and tracks for the storage or handling of any of the company's products or for the delivery thereof to adjacent railways; and (5) Offices, stores, shops, grain elevators, hotels, boarding houses, dwellings, workmen's houses, restaurants and buildings of every description; (c) To purchase, sell and deal in any manufactures, products or by-products of the works hereinbefore specified, or any commodities, merchandise or manufactures which may be conveniently handled therewith and are germane to the objects herein specified; (d) To purchase, acquire, sell and deal in any exclusive rights, patent rights, privileges or licenses in connection with the business of the company; (e) To guarantee any indebtedness, whether bonded or otherwise, of any company with which the company may have business relations and authorized to conduct any business within or similar to the powers of the company; (f) To issue and allot, as fully paid up, shares of the company hereby incorporated in payment or part payment for any services rendered or for any property, movable or immovable, property rights, lease, business, franchise, undertaking, powers, privileges, license, concession, stock, bonds and debentures, or other assets or things which it may lawfully acquire by virtue of the powers hereby granted, or to pay for same or any part thereof in bonds, debentures or other securities of this company; (g) To acquire the stock, securities or undertaking of any other company having for one of its objects the exercise of any of the powers of the company, or to transfer its undertaking or assets to, or to amalgamate with any such company; (h) To enter into any partnership or into any arrangement for sharing of profits or union of interests, co-operation, joint adventures, reciprocal concessions or otherwise, or to amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to engage in or carry on, and to lend money to and act as employer, agent or manager of any such person or company, and to carry on the business of and to guarantee the contracts of or to otherwise assist any such person or company or any customers, and to guarantee the securities issued or to be issued either conditionally or upon any condition, the bonds, debentures, or other securities of any such company, and to take, hold, or otherwise acquire, shares and securities of any such company notwithstanding the provisions of Section 44 of the said Act, and to sell, hold or re-issue with or without guarantee or otherwise deal with the same; (i) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (j) To acquire by purchase or otherwise, hold, sell and deal in the business, assets, good-will and securities of any other company having for one of its objects the exercise of any of the powers of the company, or carrying on any business capable of being conducted so as to benefit the company, and to promote or assist in promoting any such other company or any subsidiary company, and to pay out of the funds of the company the costs and expenses of such promotion and assistance. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian Coal Fields, Limited," with a capital stock of ten million dollars, divided into 100,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 5th day of May, 1917.

THOMAS MULVEY,
Under-Secretary of State.

DRESS FABRICS, LIMITED.

PUBLIC NOTICE is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 9th day of May, 1917, incorporating Edwin Smily, Mervin MacDonald and Bruce Williams, barristers-at-law, Edward Wesley Rhodes and Maurice Meyer Gordon, students-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To manufacture, sell, buy, deal in and dispose of dress fabrics, and other textile wares and merchandise of a textile character, and also dress trimmings or ornamental goods of every kind, by wholesale or by retail, or by both, and also all kinds of knitted goods intended for personal wear; (b) To acquire or to undertake the whole or any part of the business, property and any liabilities or assets of any individual, partnership, or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company, and to issue paid-up shares or bonds, or both, for the payment of the purchase price thereof; (c) To subscribe for, take up, or otherwise acquire and hold shares or stock in any other company having objects in part or altogether similar to those of the company, or carrying on any business capable of being conducted so as to directly or indirectly benefit the company, and to pay for such stock or shares in cash or in shares of the company; to vote on and deal with such stock or shares in any such other company as aforesaid, and to appoint a person with power to vote on such shares of stock. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Dress Fabrics, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 10th day of May, 1917.

THOMAS MULVEY,
Under-Secretary of State.

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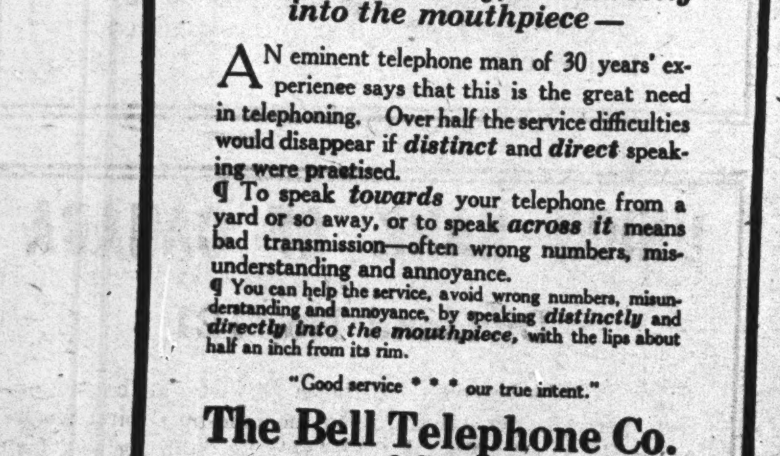

NEWS OF SECURITIES

Continued from page 4

was 165, showing practically no change from the level of the trading of last week.

OTHER STOCKS

Better Tone Displayed By the Market in the Later Trading Under New York Influence.

After a continuation of that softness which has been in evidence in the market for some weeks there has been a turn for the better, first noted in the closing hour on Wednesday and continued in the later trading. The steel stocks led in the upturn but the improvement was general. As has become usual this change came in sympathy with New York and the influences in Wall Street appeared to be the better spirit engendered by the American loan to Russia, the indications of a general improvement in the political situation in that country and the better report regarding losses as the result of the operations of enemy submarines.

The improvement was not marked by any volume of trading. In fact the market has been very thin for some time with investors showing a tendency to accept the adjustments in the market without changing their holdings. Any material volume of selling or buying has an immediate effect. From this fact that the market has had a sold-out appearance there would appear to be ground for moderate confidence that there will now be an improvement. Those who thus regard the situation argue that the fact that the market has been dragging for some time would indicate that the bear factors have been discounted and that any appearance of a buying interest must have the affect of raising prices. However, there are so many factors for uncertainty that it is difficult to predict what the trend of the market may be.

ASBESTOS CORPORATION.

The results for this year to date are most encouraging, so far as the Asbestos Corporation of Canada is concerned. In line with the general situation, however, the company is not experiencing quite as keen a demand for the product as was the case a year ago. The Black Lake Asbestos and Chrome Company, which operates in Quebec, although being an Ontario company, is reported to be doing better this year than at any other time in its history, which has been varied by many changes.

AMES-HOLDEN.

The securities of the Ames-Holden Company have quite evidently been affected in the decline which the market has been suffering for some weeks past. During the week there were sales of the common at 50 and of the preferred at 39, the former representing a loss of 9 points and the latter of 6 points from last previous sales during the latter part of April. There has been no particular news regarding the company's operations. The annual meeting will be held on June 28th.

BELL TELEPHONE.

A fractional improvement in Bell Telephone was noted towards the end of the week at 140⅛ which compared with 140 which has prevailed steadily for the past fortnight. Between the middle of March and the middle of April the price declined from 147 to 144.

The rights in independent companies as to long distance connections are being considered at Ottawa by the committee revising the railway act. The company offers local connections to all but competitive companies. The contention of the Ontario Railway and Municipal Board that telephone matters he controlled by the Provincial commission and the Dominion Railway Board met with little favor.

B. C. PACKERS.

The stock of the British Columbia Packers has had anything but an energetic time so far this present year. Up to the 1st of May the few sales recorded were all made at 45. The only sales noted this week, which were the first transactions of the month, showed considerable weakness, the stock dropping sharply to 39, evidently under the very uncertain conditions facing the canning trade in general, and more particularly the fish canning industry. There has been no sale recorded in the preferred this year.

CANADA CEMENT.

Canada Cement, which has been a comparatively consistent performer during the weak spell of the past few weeks, having lost only about one point from the first of the month, moved up to 60½ during the late trading, and at that figure was equal to the best showing of the past month. The upturn was coincident with the strength in the steel stocks, and probably reflected the company's activities on munitions. It is reported that sales of cement are running about 16 per cent. ahead of last year, the increase being the result of the development of the demand in the rural districts.

CANADIAN CONSOLIDATED.

There have been no sales of Canadian Rubber securities for some time, and there was no interest displayed by traders during the week. Recent reports from the West indicate that the company is doing a very satisfactory business in that country, particularly in automobile tires. A new distributing warehouse is being opened at Lethbridge.

CITY DAIRY.

The market continues its attitude of apathy towards City Dairy securities, and as for several weeks past offers of 30 for the common and quotations of 70 by holders of preferred have attracted no attention. There have been no sales since the opening sessions of April. The affairs of the company are showing some improvement, but nothing material can be looked for in this connection until there is a change in general conditions.

CANADA BREAD.

Once again bread has gone up in price in Toronto, for the third time in a little over a month. Mark Bredin, of the Canada Bread Company, when seen by the FINANCIAL POST, stated that the advance was made necessary by the phenomenal increases in the price of flour. Baking companies, as a rule, he stated, were not in as satisfactory condition as in normal times. It was often charged that the bakers were charging on the basis of present cost of flour while working on flour purchased a year ago.

In former years, stated Mr. Bredin, our company has been accustomed to buy flour for a year's supply in advance. The past year, however, was so uncertain that with the possibility of Russian wheat being released, to deflate the market, we did not consider it wise to lay in such a supply. We bought for only a few months instead of a year. When this stock was exhausted we bought for a still shorter period, so that at present we are manufacturing at very close to present market prices.

Mr. Bredin stated that 176 loaves could be made from a barrel of flour, which averaged, considering wholesale and contract figures, 11¼ cents, and this was ample evidence that the bakers were not making enormous profits out of bread making at the present time, Mr. Bredin was of the opinion also that the price of flour was thoroughly in line with the wheat market. If there was a hitch anywhere, it was in the wheat. Of course it was impossible to state what proportion of the crop had been purchased or was under contract to the British Government. If these purchases approached anywhere near half the crop, then, in Mr. Bredin's opinion, the wheat prices might be more or less justified. On the other hand, as far as was known, the British Government agents had stopped buying at $2.30, and with wheat at $2.30 we would not have to be charging 12 cents a loaf for bread, said Mr. Bredin. We could still sell at 10 cents and make a small profit.

In regard to the effect that these increases have had on the business of the company, Mr. Bredin stated that no effect had been felt from the first two increases, and that this last increase had hardly been in effect long enough to justify an opinion. There had been a slight falling off, unquestionably. That, however, had been anticipated.

There has been no activity in the stock to date to demonstrate the possible effect. This fact in itself, however, would seem to indicate that the stock was considered to be in sound condition. The last sale in the common was made at 16⅛, and in the preferred at 85.

DOMINION CANNERS.

The substantial increase in the price of pig tin recently announced still further complicates the canning situation. Not only does there appear to be an actual scarcity of tin plate, but the pig tin, one of the essential components, though it is generally believed that there is a sufficient supply of this commodity to take care of the business, is evidently being hoarded by some parties, and generally manipulated into an ever-rising market. The present increase will add something to the cost of cans to be delivered to the canners, and consequently something to the canned product. At the moment the canning situation seems to be face to face with about as serious situations as it is possible to meet.

Despite the none too rosy prospects, the stock of the Dominion Canners continues to maintain a very fair measure of stability; all recent sales have been made at 23. There was only one sale in the preferred for the week; this was made at 75½.

GENERAL ELECTRIC.

General Electric continued to hold its position comparatively well on the exchange during the week, considering the general tendency which has been in evidence for some time. Transactions were at 107, which is on a par with last week's price, but is a couple of points off from the first of the month. Reports as to the company's operations continue to be altogether satisfactory, considering the conditions prevailing.

INTERNATIONAL PETROLEUM.

International Petroleum appears to have been affected by the general conditions in the investment situation recently, and when the price dropped below $13, it touched the lowest point since the middle of March. Later there was a slight recovery and a fractional upturn.

LYALL CONSTRUCTION.

There have been no transactions in Lyall Construction for the past fortnight, and the only recent indication of the market was a quotation at 70, against which there were no bids; last sales were at 69. It is understood that this company was considering plans for an extension of its plant for the manufacture of munitions, but that these plans have been dropped on account of the increased burden imposed by the new war taxes.

MACKAY.

Mackay common showed weakness during the week selling down to 81¾ from 83 at the close of last week. The month opened with the price at 85. The preferred at 65½ showed improvement of half a point and equalled the best price that has been quoted for some time.

TUCKETT TOBACCO.

Sales of Tuckett Tobacco have recently occurred at 19, which showed little change in the market, although this price was half a point higher than the last previous. There have been no sales of the preferred since the latter part of April.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Steel of Can	59¼	59
Toronto Paper	90	90
Can. Cement	60¼	60
Dom. Steel	61½	61⅛
Dom. Canners	21	21
Mackay	83½	83
Do., pref.	65	65
Smelters	26	26
War Loan (1937)	94⅝	94⅝
Do. (1931)	95½	95½
Do. (1925)	96¾	96¾
Riordon	122	122

SMART-WOODS.

When Smart-Woods common sold last Saturday at 43 there was indicated a decline of 7 points from the last previous price a month earlier. This would seem to indicate the effect of the general adjustment of the investment situation which has taken place in the interval. There has been no change indicated in the value of the preferred at 80.

STANDARD CHEMICAL.

There has been no movement of the securities of the Standard Chemical Company this week. Late quotations on the exchange were 16 asked for the common and 13⅛ bid, and 52 asked for the preferred, with no offers. Last sales at the end of April were at 13¾ and 49 respectively.

ST. DENIS THEATRE.

The liquidators of the St. Denis Theatre Company, which has been in liquidation for some months, have advertised the theatre for sale at public auction on June 6th. It is expected that the property will be purchased by the shareholders, who have organized a new company, known as the St. Denis Theatre, Limited, with a capital of $399,000, the amount necessary to finance the undertaking.

The misunderstandings between the old directors and the shareholders have been cleared away, the members of the Shareholders' Protective Association, having, after a careful study of the affairs of the company, strongly recommended all the shareholders to subscribe for shares in the new company. The theatre, under more sane management, is now being operated at a profit. The extravagant methods of the former management were responsible for the difficulties of the company. The theatre is one of the finest in Canada.

ROGERS.

There have been no sales of Rogers during the week, the only indications of the trend of the market being offers of the common at 70, which brought no bids, and bids of 90 for the preferred, without offers. Last sales of the common were at 65 about the middle of April, and of the preferred at 90 late last week.

RUSSELL MOTOR.

No sales in Russell Motor common have been recorded this week, and there are few quotations by which the position of the market may be judged; 75 has been asked, with 65 offered, compared with last sales at 65. Sales of the preferred have taken place at 102-102¼, which indicates little change from last week, when the range was 101 to 103.

SHERWIN-WILLIAMS.

The sale of a single share of Sherwin-Williams common took place during the week at 58½, showing a decline of half a point from the last sale, and being the first indication of the market since the middle of April. A block of the preferred was recently turned at 99, which showed an improvement of a point over the last previous.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending May 17:

	Ask.	Bid.	High	Low	Last	Sale	Range 1917 to May 10 High	Range 1917 to May 10 Low
Banks—								
Commerce	...	183	188	186½	186½	47	188	183
Hamilton	191	188	191	189¼	191	13	192	190
Hochelaga	149	...	145	145	145	61	145	143½
Imperial	194	...	193½	193½	193½	37	200½	195
Montreal	...	...	215½	215	215½	43	234	220
Nova Scotia	257	...	254½	254½	254½	4	257½	253
Royal	213	...	213	210	210	36	214	211
Toronto	...	190	190	190	190	2	213	189
Union	142	141	138	138	138	3	141	136
Transportation—								
Barcelona	11½	11¼	11½	11	11¼	120	17	11
Brazilian Trac.	40¼	40⅛	41	39	40	4,316	47¾	37
Can. Steam., com.	39	38⅝	39¼	37¾	38⅝	349	40½	29¾
Do., pref.	87	86½	87¼	86	87	307	93¾	83½
Canadian Pacific	160½	159	160	158¼	158¼	6	166½	149½
Detroit United	112	110½	113½	111	112½	1,731	128	110½
Civic Int. Power	77¾	77½	78	77½	77¾	2,492	82¾	78
Montreal Trams	...	144	144	144	144	25	181	175
Que. Ry., L., Heat.	28½	27¼	28¾	26	28	485	35½	21
Toronto Ry.	81	78½	80	78	80	134	90½	76
Twin City, com.	87	86	86¼	85	86¼	68	95	85
Winnipeg Elec.	...	...	49	48⅞	48⅞	20	81	50
Telegraph, Light and Power—								
Bell Telephone	...	140	140¼	140	140	63	150	144
Consumers Gas	...	165	165	165	165	1	165½	162½
Mackay, com.	83½	82⅞	83	81¾	81¾	509	90	82½
Do., pref.	65½	65	65½	65	65½	41	68	65
Shaw. W. & P.	...	121½	121½	121¼	121½	162	130½	121
Industrials—								
Ames-Holden, pr.	55	...	50	50	50	10	61	48
F. N. Burt, com.	80	...	79	79	79	10	85	78
Do., pref.	89	88	89	88½	89	49	93½	89
Can. Cement, com.	60½	60	60½	58¼	60	1,607	69⅞	56
Do., pref.	93½	92	93	92	92¼	165	95¾	90
Can. Car, com.	29	28	29	28½	28½	155	46½	25¼
Do., pref.	67	65½	68¼	67	68¼	435	89	59
Can. Cottons, com.	...	...	52	51½	52	100	56	51
Do., pref.	...	...	79¼	78½	79	161	82	76½
Can. Loco., com.	58¼	...	57½	57½	57½	52	64	52½
Do., pref.	89¼	88	89	87	88	45	91½	84
Can. Gen. El., com.	107½	106½	107	107	107	160	115½	107½
Dom. Canners, com.	23	...	23	22	22	28	26	19
Dom. Iron, pref.	90½	...	90½	90	90½	30	95	90
Dom. Steel Corp.	61⅝	61¼	61¾	59½	61½	6,720	71¼	52¾
Dom. Tex., com.	86	85	86	85½	86	218	86½	76½
Inter. Petroleum	...	...	13.00	13.00	13.00	225	14.75	11.62
A. Macdon., com.	...	12	12	12	12	50	15½	8
Maple Leaf, com.	107	105½	107	103	105½	302	115	90
Do., pref.	94	...	94½	92	94¼	20	103	92½
Mon. Cottons, com.	...	...	53	50	53	71	58½	50
Mon. Knit., com.	...	40	40	40	40	42	40	35
Ont. Steel Pro.	...	...	20	20	20	10	34	18
N.S. Steel, com.	94	93	94½	90	94½	1,057	128	88
Ogilvie Flour, com.	144½	144	144½	144	144½	55	145	137
Do., pref.	...	...	112¼	112¼	112¼	25	115	111
Penmans, com.	...	...	70	69	70	99	73½	69
Riordon Pulp, com.	122	121	122¾	115¼	122¾	1,115	127	106
W. A. Rogers, pr.	...	90	90	90	90	10	92	90
Russell Motor, pr.	105	102	102¼	102	102¼	97	122	100
Sher.-Williams, com.	59	...	58½	58½	58½	1	59¾	56
Do., pref.	99	98½	99	99	99	25	100	98
Sh. Wheat, com.	...	132	132	132	132	23	137¾	135
Smart-Woods, com.	...	43	43	43	43	25	55	50
Span. R. Pulp, com.	15½	13½	14	13½	14	105	19	13
Do., pref.	50½	49¾	50¼	49½	49¾	85	59¼	50
Steel of Can., com.	59½	59	59½	57	59	3,535	71½	52
Do., pref.	92	91	92½	91½	91½	75	100½	92
Toronto Paper	90	89⅞	90	87	90	290	89	72
Tuckett Tob., com.	19	17	19	19	19	30	22½	19½
Wayagamack	69	68¾	70	68¾	68¾	480	95	69

DIVIDENDS DECLARED.

The Bank of Nova Scotia

DIVIDEND No. 190

NOTICE is hereby given that a Dividend at the rate of fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th, and that the same will be payable on and after Tuesday, the 3rd day of July next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 18th to the 30th proximo, inclusive.

By order of the Board.

H. A. RICHARDSON, General Manager

Halifax, N.S., May 15th, 1917.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO AND-ONE-HALF PER CENT. upon the paid up Capital Stock of this Institution has been declared for the current quarter, also a BONUS OF ONE PER CENT., both payable on and after Friday, the FIRST DAY OF JUNE next, to Shareholders of record of 30th April, 1917.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR, General Manager

Montreal, 24th April, 1917.

The Canadian Bank of Commerce

DIVIDEND NO. 121.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 31st May next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Friday, 1st June, 1917. The Transfer Books of the Bank will be closed from the 17th to the 31st of May next, both days inclusive.

By order of the Board.

JOHN AIRD, General Manager.

Toronto, 20th April, 1917.

The Royal Bank of Canada

DIVIDEND No. 119

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and will be payable at the Bank and its Branches on and after FRIDAY, the FIRST DAY OF JUNE next, to Shareholders of record of 15th May.

By order of the Board.

C. E. NEILL, General Manager.

Montreal, Que., April 17, 1917.

The Ogilvie Flour Mills Co., Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of one and three-quarters per cent. has been declared on the Preferred Stock of THE OGILVIE FLOUR MILLS CO., LIMITED, payable Friday, the first day of June, 1917, to shareholders of record at the close of business Tuesday, the twenty-second day of May, 1917.

By order of the Board.

G. A. MORRIS, Secretary

Montreal, May 11th, 1917.

5% --- *Guaranteed*

Your surplus funds of $500 and upwards bring 5 per cent. per annum half-yearly if left in our care for three or five-year periods.

Punctual payment of interest and prompt repayment of principal are *assured* by the precautions taken in the selection of security (first mortgages on improved realty) and *guaranteed* directly by the Company.

Further information personally, by 'phone or by booklet, "Guaranteed Trust Investments," mailed anywhere on request.

National Trust Company Limited

Capital Paid-up, $1,500,000 — Reserve, $1,500,000

18-22 KING STREET EAST, TORONTO.

Northern Crown Bank

HEAD OFFICE, WINNIPEG

Capital (authorized) - $6,000,000
Capital (paid up) - $1,431,200
Rest and Undivided Profits $848,554

DIRECTORS.

President, Capt. Wm. Robinson.
Vice-President, Jas. H. Ashdown,
W. R. Bawlf, A. McTavish Campbell,
Sir Douglas Cameron, K.C.M.G.,
E. F. Hutchings, John Stovel.
General Manager - Robert Campbell

Four Branches in Alberta, seven in British Columbia, twenty-two in Manitoba, twenty-five in Ontario, fifty-three in Saskatchewan. A total of one hundred and eleven Branches throughout Canada.

V. F. CRONYN,
Manager - - - - - - Toronto Branch

Albert E. Dyment & Co.

(Members Toronto Stock Exchange)

Stock Brokers

402 Dominion Bank Building

TORONTO

War Bonds BOUGHT AND SOLD

John Stark & Co.

Members of Toronto Stock Exchange

504-505 Royal Bank Building

TORONTO

The UNION BANK OF AUSTRALIA, Ltd.

Established 1837. Incorporated 1880.

CAPITAL:—
AUTHORIZED and ISSUED .... £[illegible]
Paid-up Capital .. £2,000,000
Reserve Fund .... £1,900,000 Together £3,900,000
Reserve Liability of Proprietors £4,000,000
Total Capital and Reserve £7,900,000

Head Office: 71, CORNHILL, LONDON, E.C.

DIRECTORS.

HENRY P. STURGIS, Esq. (Chairman).
Arthur P. Blake, Esq.
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.

Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.

The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

WAR TAXES OPERATING AGAINST PROGRESSIVE MANUFACTURERS AND MANY SMALL INVESTORS

Continued from page 1.

is being raised is an evidence of discrimination against business enterprises so marked as to frighten United States capital from Canadian enterprises for some years to come.

THE FINANCIAL DRAIN.

The requirement to pay so large a proportion of the earnings of the companies in cash can have only one result, viz: the weakening of the companies financially and the crippling of them in their ability to carry on the commerce of the country. We are calling on our manufacturers to increase the efficiency of their plants and place themselves in a position to withstand the competition from outside sources, particularly after the war. How is this possible if we are to take from them from 25 per cent. to 70 per cent. of their total earnings? The competition that Canadian industrial concerns have mostly to face is that of the United States firms. These firms which at the outbreak of the war were already much greater in strength and cash resources than Canadian concerns, have been enriched by three years of phenomenal business in the United States,—three years in which there has been no tax upon their profits. Now the United States is proposing to take 16 per cent. on the excess over 8 per cent., so that a manufacturer in Canada will pay from twice to four and five times as great a proportion of his earnings as his United States competitor.—Is this going to place our concerns in a position to complete on equal terms after the war? We are asking our Canadian business houses to prosecute export trade. Export trade demands the employment of great amounts to capital, because as a rule, extended credits have to be given and allowance has to be made for the time goods are in transit. How is it going to be possible for a concern to be able to put itself in a position to do this when it is required to pay out so large a proportion of its earnings?

EFFECT ON MANUFACTURERS.

Handicap to Development.

In the case of one of Canada's largest industrial enterprises, the present taxation proposal does not operate seriously, but while the taxation does not affect this company at the present time, when it has built up its organization and plant and resources and has strong reserves, so that it can pay the tax levied upon it, the condition for a generation was very different. For the first ten years of its existence this company was unable to pay a dividend. Large amounts of money were required for the building of plant for the carrying of stock and raw materials. A credit business was done, and large sums were also required in this way. For years the company had to lean upon the banks for assistance to an extent that would be considered to-day as unwise. Had it been necessary to have paid out in cash any such proportion of earnings as the present taxation calls for, this company would never have reached the development that it has to-day, where it provides employment to thousands of people and is doing an export business greater than its home trade.

U.S. Company Withdraws.

A large and well-known United States manufacturing establishment, which has done business in Canada for several years and just before the war erected a splendid new factory in Canada to carry on its manufacturing operations, the success of which venture led to the decision of the United States executive to do all their British and foreign trade from the Canadian factory, immediately the announcement of the present taxation proposal was made, halted this policy. At the present time arrangements are under way for the cancellation of the arrangements for export business from Canada.

Munitions Company Pays Its Profits.

One of the big companies operating in a large way in munition manufacture, has from the outbreak of the war devoted its organization and equipment to the manufacture of war supplies, and in doing so has sacrificed to no small extent its work on regular lines of business. It has not paid a single dividend to its stock holders since the war began. In order to provide large additional capital for the purchase of new equipment for munition work, the directors borrowed money on the credit of the company but guaranteed by the directors personally, so that it was able to devote to this work not merely the capital in the business, but twice that capital. So large a proportion of its earnings are invested in land, buildings, plant and in work in process, that this particular company, which has been most successful in its operations, and has made large earnings, would actually owe at the end of its present financial year $500,000.00 more than it did at the beginning, on account of the tax that would be imposed upon it. This is a successful concern but one which would not be able under the taxes proposed, to pay a single dollar of dividends to its stock holders.

Another U.S. Co. Drops Out.

One of the largest and most successful manufacturers in a certain line in the United States, who have had their representative in Canada looking over the field and had arrangements practically completed for the erection in Canada of a branch factory, within two days after the announcement of this new taxation, announced its decision to withdraw the Canadian program at the present time.

In the same way a successful United States concern had established a branch factory in Canada four years ago and planned to extend its operations by the manufacture of additional lines. A new charter was obtained for the company and the expectation was that the factory could be built and be in operation before the close of the summer. When the manager of this company was in Toronto on Monday he announced that a decision had been reached to abandon the proposal for the present at least.

Big Project Discouraged.

At the direct request of the Ministry of Munitions in London, one of the important manufacturers in the United States had agreed to move a large proportion of his plant to Canada and to commence the manufacture of an article greatly required by Great Britain in the conduct of the war. The president of this company came to Canada, was advised of the tax provision as it then stood, viz., 25 per cent., and expressed his willingness to move the plant to Canada and to undertake the work and to pay his proportion of the cost of the war through the original War Profits Tax measure. This company had perhaps gone too far in preparations under this contract to withdraw at the present time, but had it been known that taxation proposals so onerous would be made, nothing would have induced the concern to have entered into the undertaking, which involves the outlay in Canada of between three and four million dollars, and the payment of several hundred thousand dollars in duty. The possibility of loss is very great indeed because the work has to be carried out in a certain specified time and delivery will not be accepted unless made according to schedule. On the other hand, under the proposed taxation the prospective profits are so out of proportion to the risk involved that the responsibilities to the shareholders whose money is represented would not justify the undertaking to-day.

NORCROSS ASKS GOVERNMENT AID TO BUILD SHIPS.

Continued from page 1

we would be developing a great permanent industry, that would afford employment to an army of Canadian workmen after the war is over; and be laying the foundation of a merchant marine without which the country cannot hope to realize the high destiny than the extent of its resources and the skill and enterprise of its people makes possible."

As to Wooden Ships.

With reference to the building of wooden ships, Mr. Norcross said that every effort was being made in this direction, but the great difficulty was to get the necessary lumber for the larger class of vessels, such as were being constructed on the Pacific Coast by the Canada West Coast Navigation Company, with which he is connected. Mr. Norcross stated that so far as he was aware, there was no lack of lumber suitable for the construction of the smaller class of vessels, such as were now being built in the Maritime Provinces.

Mr. Norcross is a strong believer in the standardization of construction, but said that the main thing just now was to get the plants ready. The particular type of vessel that would be most suitable for Canada would be a matter requiring some consideration.

HAZELTON GOLD, SILVER AND LEAD MINING COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 8th day of May, 1917, incorporating Anthony L'Estrange Malone, Albert Mearns and Harry Sutherland Sprague, solicitors, Joseph Earlby Belfry, law student, and Bertha Simons, stenographer, all of the City of Toronto in the Province of Ontario, for the following purposes, viz.—(a) To acquire by purchase, lease, license, exchange or in any other way and to hold, develop, work, maintain and manage mines, mining rights, mining claims, quarries, deposits and properties of all kinds, and minerals, metals, ores and stone of all kinds, and to deal in, sell, lease, exchange or dispose of the same, or any part or interest therein, in any way whatsoever, and to carry on mining and quarrying operations of every kind; (b) To dig for, refine, reduce, smelt, manufacture and prepare for use by any means or process whatsoever minerals, metals, ores and stone of every kind, whether belonging to the company or not, and to deal in, sell and dispose of minerals, metals, ores and stone of every kind and all products or any part thereof; (c) To acquire by purchase, lease, license, exchange or in any other way and to hold, manage and use any real property from time to time necessary or convenient for the carrying on of the operations of the company, and to sell, lease, alienate, convey, exchange and deal with in any way from time to time the whole or any portions thereof or any interest therein; (d) To acquire by purchase, lease, license, exchange or in any other way and to build, construct, improve, maintain, work, manage, carry out or control any roads and ways, branches and sidings on land owned or controlled by the company, bridges, reservoirs, watercourses, wharves, docks, mills, furnaces, manufactories, warehouses, shops, stores, houses, engines, machinery and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests or operations, and to contribute to, subsidize or otherwise assist or take part in the building, construction, improvement, maintenance, working, management, carrying out or control of any part thereof; (e) To acquire by purchase, lease, license, exchange or in any other way and to build, charter, maintain, work, manage and operate vessels of all kinds for the transportation of minerals, metals, ores and stone and all products thereof, and machinery, stores and articles of all kinds, and to contribute to, subsidize or otherwise assist or take part in the building, chartering, maintenance, working, management and operating of such vessels; (f) To acquire by purchase, lease, license, exchange, or in any other way and to build, maintain, work, manage and operate water rights, water powers, mills, dams, reservoirs, race ways, pipes, flumes and works of every kind; (g) To acquire by purchase, lease, license, exchange or in any other way power and light of every kind and to acquire, build, construct, maintain, alter, make, work and operate on the property of the company or on property controlled by the company and subject to all statutory and municipal regulations, works of every kind for the development, generation, accumulation, supply and delivery of power and light of every kind, power lines, poles, conduits and wires; (h) To buy, sell and deal in goods, wares and merchandise and to acquire, build, maintain, own and operate factories, shops and stores for that purpose; (i) To acquire, build, alter, hold, lease and manage houses and buildings necessary or convenient for the use of persons employed by the company and the family of such persons; (j) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's properties or rights; (k) To acquire, purchase or assume the whole or any part of the business, properties, undertakings, assets and liabilities of any person, firm or company carrying on any business which the company is authorized to carry on, or similar thereto, or possessed of properties suitable for the purposes of the company, and to pay for the same wholly or in part in the bonds, debentures or shares of the company; (l) To apply for, purchase or otherwise acquire any patents, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the patents, rights or information so acquired; (m) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company, or to amalgamate with any such company, and to lend money to, guarantee the contracts of or otherwise assist any such person, firm or company, and to take, subscribe for, purchase or otherwise acquire bonds, debentures, shares and securities of any such company, and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same; (n) To take, subscribe for, purchase or otherwise acquire and to hold, sell, deal with or dispose of the bonds, debentures, shares or securities of any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (o) To enter into any arrangements with any authorities, federal, provincial, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions, and to use to defray the costs and expenses thereof the company's shares, bonds, debentures and other securities; (p) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (q) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit this company; (r) To purchase, take on lease or in exchange, hire or otherwise acquire any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant or stock-in-trade; (s) To lend money to customers, and others having dealings with the company and to guarantee the performance of contracts by any such persons; (t) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (u) To sell, lease, exchange or dispose of the undertaking of the company or any part thereof or the properties, rights and assets or any part thereof for such consideration as the company may think fit, and in particular for shares, bonds, debentures or securities of any other company having objects altogether or in part similar to those of the company; (v) To adopt such means of making known the properties or products of the company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (w) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, distribute in specie or otherwise deal with all or any part of the properties, rights and assets of the company; (x) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (y) To do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Hazelton Gold, Silver and Lead Mining Company, Limited," with a capital stock of forty thousand dollars divided into 40,000 shares of one dollar each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 9th day of May, 1917.

THOMAS MULVEY,
Under-Secretary of State.

BORDEN FARM PRODUCTS COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 1st day of May, 1917, incorporating William Alfred James Case, solicitor, James Broadbent Taylor, accountant, and William Morley Smith, Charles Lawford Valens and Cyril Middleton Smith, students-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.—(a) To manufacture, produce, purchase, acquire, purify, distribute, sell and deal in, from route wagons and otherwise, and by wholesale and retail and otherwise, raw milk, pasteurized and unpasteurized, condensed, preserved, malted and evaporated milk, confectionery milk powder, dried milk, ice cream, butter, butter-milk, cream, cheese and all other manufactured forms of milk and milk products and products into the manufacture of which milk enters, eggs, fruit, vegetables and all other garden, dairy, fruit and farm products; to raise, acquire, purchase, sell and otherwise deal in cattle and other live stock; (b) To manufacture, lease, purchase, sell and otherwise deal in all wagons, machinery, tools, implements, apparatus, and all other articles and appliances used in connection with all or any of the operations of the company or with selling and transporting the manufactured and other products of the company; (c) To manufacture, harvest, buy and sell ice at wholesale and retail and to deal generally in natural and artificial ice and to operate cold storage plants, storehouses and warehouses; (d) To issue receipts, negotiable or otherwise, for merchandise stored with the company; (e) To subscribe for conditionally or unconditionally, to undertake, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds, of companies with which this company may have business relations or carrying on a similar subsidiary or other business which may be carried on so as to benefit the business of this company, its property or rights, notwithstanding the provisions of section 44 of the Companies Act; (f) To manufacture, purchase or otherwise acquire, hold, own, use, sell, assign, transfer, trade, deal in and deal with goods, wares and merchandise and property of every class and description; (g) To do any other acts and things, and to carry on any other business (whether manufacturing or otherwise) which may seem to the corporation to be calculated directly or indirectly to effectuate the aforesaid objects, to facilitate it in the transaction and prosecution of its business, or to enhance the value of its property and rights; (h) To acquire by purchase, lease or otherwise, for any of the objects aforesaid, the business, plant and other assets of any corporation, association, firm or individual, and to undertake and assume the liabilities thereof and pay for the same in cash, stock or securities of the company, and to hold, purchase, lease, sell and convey real and personal property; (i) To acquire by purchase or otherwise, and to use, license, lease, sell or otherwise deal with letters patent, patent rights, copyrights, trade-marks and licenses or any secret or other information as to any invention or processes; (j) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company, and to lend money to, guarantee the contracts of, or otherwise assist any such person or company and any person or company having or about to have dealings with the company, or the carrying on of whose business is calculated directly or indirectly to benefit or assist the company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (k) To enter into any arrangements with any authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (l) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (m) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (n) To construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings on lands owned or controlled by the company, bridges, reservoirs, watercourses, wharves, mills, manufactories, warehouses, electric works, shops, stores and other works, buildings and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (o) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (p) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (q) To procure the company to be registered and recognized in any foreign country and to designate persons therein according to the laws of such foreign country to represent this company and to accept service for and on behalf of the company of any process or suit; (r) In conjunction with or in aid or promotion of any of the foregoing objects, to manufacture, generate, store, transport, utilize, sell and deal in electricity and water and all other kinds of power, to enter into contracts in respect thereof with individuals and corporations, public or private, and to construct, maintain and operate works, and to acquire and dispose of real estate and other property there for; (s) To distribute or divide assets of the company in specie amongst the shareholders; (t) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of the company; (u) Notwithstanding the provisions of section 44 of The Companies Act, to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debentures, stocks or other securities or obligations or any estate or interest therein; and to apply or to accept, in whole or in part, as consideration for, satisfaction of or security for any contract, indebtedness or obligation to or of the company, property, obligations, shares and securities of any kind, at such valuation and upon such terms as may be agreed upon; (v) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (w) To do any and all things connected with or incidental to the carrying on of such objects and business or any branch or part thereof; (x) To do all or any of the above things in any part of the world and as principals, agents, contractors or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others; (y) The business which the corporation is to carry on is from time to time to do any one or more of the acts and things hereinbefore set forth, and any power granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph; (z) The company may conduct its business and shall have the power to make and perform contracts of any kind or description to acquire and dispose of any property, including the stocks, bonds and evidences of indebtedness of any other corporation or corporations, and do any and all other acts and things and exercise any and all other powers which a co-partnership or natural person could do or exercise, and which now are or hereafter may be authorized by law. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Borden Farm Products Company, Limited, with a capital stock of two hundred and seventy-five thousand dollars, divided into 2,750 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 2nd day of May, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE B. C. MILK CONDENSING COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 27th day of April, 1917, incorporating William Alfred James Case, solicitor, James Broadbent Taylor, accountant, and William Morely Smith, Charles Lawford Valens and Cyril Middleton Smith, students-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.—(a) To manufacture, produce, acquire, purchase, sell, store, distribute, export, import and deal in by wholesale or retail or otherwise, condensed, evaporated, sterilized or preserved milk and cream and all other manufactured forms of milk or cream; to produce, acquire, purchase, sell, store, distribute, export, import and deal in by wholesale or retail or otherwise fresh milk and cream and all the products of milk or cream; to manufacture, produce, acquire, purchase, sell, store, distribute, export, import and deal in by wholesale or retail or otherwise, confectionery, butter, eggs, cheese, cocoa, chocolate, coffee, sugar, rice, cereals, fruit, vegetables, meats and soups in all their branches and all and any kinds of food or articles in the manufacture or preparation of which milk, cream, butter, eggs, cheese, cocoa, chocolate, sugar, rice, cereals, fruit, vegetables, meats or soups or their products are capable of being used or form a component part, and generally all kinds of food products; to carry on the businesses of dairying, stock raising, ranching, farming, milling, poultry keeping and market gardening in all their branches and of restaurant keepers, refreshment room proprietors and refreshment caterers in all their respective branches; (b) To manufacture, acquire, lease, purchase, sell and otherwise deal in all machinery, tools, implements, apparatus, cans, receptacles, boxes, labels and all other articles and appliances used in connection with all or any of the operations of the company or with selling and transporting the manufactured and other products of the company; (c) To acquire, lease, construct, improve, maintain, own, use, operate, sell, let and deal in dwelling houses, lodging houses and hotels; (d) To acquire, operate, manage and carry on co-operative and general supply stores and to buy, sell and deal in, at wholesale and retail, all kinds of merchandise and as agents as well as otherwise; (e) To manufacture, harvest, buy and sell ice at wholesale and retail and to deal generally in natural and artificial ice and to operate cold storage plants, storehouses and warehouses; (f) To acquire, hold, charter, operate, manage, lease, alienate, convey, repair, alter, build and equip steamers and steam, electric or gasoline launches, tugs, barges, boats or other vessels or any other boats or vessels or any interests or shares therein, and to let out to hire or charter the same to carry passengers and freight in any of the said ships or boats between such places as the company may from time to time determine and to collect moneys for fares, and for the carriage of such passengers and freight, and the doing of all such other things as are incidental or conducive to the attainment of the objects of the company and for the purposes aforesaid to carry on all or any of the businesses of carriers by land and sea, barge owners, lightermen, forwarding agents, warehousemen and wharfingers; (g) To acquire, buy, sell, manufacture, repair, alter and exchange, let on hire, export, and deal in all kinds of articles and things which may be required for the purpose of any of the said businesses or commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection with any of the said businesses; (h) To provide and conduct refreshment rooms, newspaper rooms, reading and writing rooms, dressing rooms, telephones and other conveniences for the use of customers and others; (i) To grant to persons purchasing from the company tickets for the supply of milk or other commodities any special privileges and advantages, and to make arrangements with persons engaged in any trade, business or profession for the concession to the company's members, ticket-holders and their friends of any special privileges or advantages; (j) To undertake, carry on and execute transactions as financial or commercial brokers or agents and to act as general commercial agents, commission men and manufacturing agents; (k) To carry on any other business (manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with any of the above specified businesses, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (l) To co-operate in, aid in, subscribe towards or subsidize any proceeding or undertaking which may seem calculated directly or indirectly to benefit the company; (m) To manufacture, purchase or otherwise acquire, hold, own, use, sell, assign, transfer, trade, deal in and deal with goods, wares and merchandise and property of every class and description; (n) To acquire by purchase, lease or otherwise for any of the objects aforesaid, the whole or any part of the business plant, property or other assets of any corporation, association, firm or individual and to undertake and assume the liabilities thereof and pay for the same in cash, stock or securities of the company; (o) To apply for, purchase or otherwise acquire and to protect, prolong and renew patents, patent rights, trade-marks, formulae, brevets d'inventions, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, improve, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired; (p) To enter into partnership or into any agreement for sharing of profits or expense, union of interests, co-operation, joint adventure, reciprocal concessions or otherwise, with any person, partnership, association or company carrying on or engaged in or about to carry on or engage in, any business or transaction which the company is authorized to carry on or engage in, or any business or transaction which may seem capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of or otherwise assist any such person, partnership, association or company, and to take or otherwise acquire shares and securities of any such partnership, association or company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same; (q) To take or otherwise acquire and hold shares in any partnership or stock or shares in any association or company having objects altogether or in part similar to those of the company or carrying on any business which may seem capable of being conducted so as directly or indirectly to benefit the company; (r) To enter into any arrangements with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with the terms of the same; (s) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons, and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object; (t) To promote, form, organize, manage, develop, take interests or stock or shares in and assist financially or otherwise any partnership, association or company for the purpose of acquiring or taking over all or any of the property and liabilities of the company or for any other purpose which may seem calculated directly or indirectly to benefit the company; (u) Generally to purchase, take on lease or hire, or in exchange, license, hire, hold, use, sell, grant leases of or otherwise acquire, any real and personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business, and in particular any land, timber limits, berths, licenses, leases, claims, concessions, foreshore, buildings, easements, machinery, plant and stock-in-trade; (v) To acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control plant, equipment, machinery, supplies, buildings, works, shops, warehouses, manufactories, roads, ways, branches, sidings, canals, bridges, electric works, electric plant, hydraulic works, hydraulic plant, wharves, docks, piers, gas works, cables, waterworks, reservoirs, water courses, and all such other structures, works, conveniences and appliances as may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (w) Where such course is required for the purposes of the company's business to divert, store, take and carry away, supply and use water from any stream, river or lake in British Columbia or elsewhere, and for that purpose to erect, build, lay and maintain dams, aqueducts, flumes, ditches or other conduit pipes and to have, use and exercise such water supply and works subject always to all local laws and regulations in that behalf; (x) Notwithstanding the provisions of Section 44 of the Companies Act, to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debenture stocks or other securities or obligations or any estate or interest therein; and to apply or to accept in whole or in part as consideration for, satisfaction of or security for any contract, indebtedness or obligation to or of the company, property, obligations, shares and securities of any kind at such valuation and upon such terms as may be agreed upon; (y) To sell or dispose of the property or undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular and notwithstanding the provisions of section 44 of The Companies Act, for shares, debentures or securities of any other partnership, association or company; (z) To remunerate any person or company for services rendered or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital or any debentures or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business; (aa) To adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the press, by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (bb) To obtain any provisional order or Act of Parliament for enabling the company to carry any of its objects into effect or for effecting any modification of the company's constitution, or for any other purposes which may seem expedient and to oppose any proceedings or application which may seem calculated directly or indirectly to prejudice the company's interest; (cc) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (dd) To do all or any of the above things in any part of the world and as principals, agents, contractors or otherwise and by or through trustees, agents or otherwise, and either alone or in conjunction with others; (ee) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of the company; (ff) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country and to accept service for and on behalf of the company of any process or suit; (gg) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof; (hh) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments, and to issue receipts, negotiable or otherwise, for merchandise stored with the company; (ii) To distribute or divide any of the property or assets of the company in specie amongst the shareholders; (jj) To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined; (kk) To do all such things as may seem directly or indirectly to be incidental to or conducive to or convenient or proper for the accomplishment of the purposes or the attainment of the objects of the company, or any of them, or expedient for the protection or benefit of the company; (ll) The business which the corporation is to carry on is from time to time to do any one or more of the acts and things hereinbefore set forth, any power granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph; (mm) The company may conduct its business and shall have the power to make and perform contracts of any kind or description, to acquire and dispose of any property, including the stocks, bonds and evidences of indebtedness of any other corporation or corporations, and to do any and all other acts and things and exercise any and all other powers which a co-partnership or natural person could do or exercise, and which now are or hereafter may be authorized by law. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The B.C. Milk Condensing Company, Limited," with a capital stock of one hundred and twenty thousand dollars, divided into 1,200 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 2nd day of May, 1917.

THOMAS MULVEY,
Under-Secretary of State.

WAR SITUATION REFLECTS UPON TRADE SENTIMENT

The Russia nand Submarine Problems Are Improved.

GENERAL BUSINESS OUTLOOK

Higher Costs Are Having Some Effect Upon Demand But Industrial Activity Continues.

In the present uncertain period the securities market is more than usual a guiding barometer as to the influences which may be expected to reflect upon the general business situation. The improvement which was noted during the latter part of the week will therefore be regarded with confidence. It was evidently based upon the strengthening of international relations between Russia and the United States and the accompanying indications that the political situation in the former country had improved. Supporting was the weekly report of the depredations of the enemy submarines and this was very favorable in character comparatively speaking.

The influences referred to have affected the Canadian situation through New York and as it is evident that since the United States has taken her place in the war the business and financial affairs of the two countries have been drawn more closely together we may expect that Wall Street will provide indications of the trend of business developments in both countries. In this connection opinions appear to differ on the very important point as to whether the liquidating of securities as the result of the new war financing with its accompanying demand for capital and the prospects of new taxation on incomes and profits has been completed. On the one hand is the arguments that this liquidation will continue until the loan is absorbed by permanent holders and on the other it is contended that the action of the market during the current week might be taken to indicate that the selling movement had been pretty well worked out for the time being at least. Further it is pointed out that many stocks and bonds are now selling at attractive prices and that there is every reason to believe that the government and banking interests working harmoniously together will greatly minimise the effects of the loan upon both the money and security markets.

The Business Outlook.

General trade and business conditions indicate a continuance of that adjustment of a more conservative basis which has been in evidence for some time. High cost of raw materials, difficulties in getting supplies, and costly labor are taking prices of the finished article to a level which is checking demand, particularly with the average person facing abnormal expenses for food stuffs and assuming a more serious frame of mind as the conviction is borne upon us that the end of the war is not yet in sight and that the after-war period is clouded in vague uncertainty. However, so long as war demand and war consumption continues with the circulation of the large sums thereby expended industrial activity with high wages may be expected to continue.

Shipments Seriously Delayed.

Wholesalers and manufacturers have been suffering greatly of late through delays of shipments. A jobber of men's wear lines reports receiving a bill of lading on Jan. 18 and the goods only on May 8. In the interval, of course, he was called upon to pay for the goods, this, of course, adding its bit to his financial burdens.

Other wholesalers report similar incidents, making also the point that the delays are increasing pilfering. One Montreal wholesaler had a shipment of flannel trousers held up somewhere in the vicinity of St. John's, Quebec. When this was finally received the shipment was short 15 pairs of trousers. For that loss the wholesaler received recompense, having insured against such an occurrence. He had, however, to pay the duty on the 15 missing pairs as well as on those received, since the fact of where the theft took place, whether on this or the other side of the border, could not be established.

CHAMBERLIN CONDEMNS THE MAJORITY REPORT

President of the Grand Trunk Says It Displays a Lack of Understanding.

E. J. Chamberlin, president of the Grand Trunk Railway system, has prepared a lengthy statement, in which he deals with some of the conclusions arrived at in the Drayton-Acworth report as to the financial and physical condition of the Grand Trunk Railway. After submitting many details and statistics to show the erroneous conclusions drawn, he concludes:

"The foregoing statistics and explanatory remarks which I have given cover only a portion of the improvements which the Grand Trunk Railway System has carried out in the past five years for the benefit of the people of Canada, but I am sure I have said enough to convince all fair-minded people that the majority report of the financial and physical position of the Grand Trunk Railway was made without a real understanding of the situation.

"In conclusion, I would call attention to the fact that the majority commissioners, as far as the Grand Trunk is concerned, barely make mention of the severity of the past winter, of the decreases and deficiency of labor and supplies, and of all the difficulties which the management has had to face owing to the conditions brought about by this terrible war."

Our Montreal editor wires—The statement issued by President Chamberlin, of the Grand Trunk Pacific, on the Canadian Railways situation, created a very favorable impression in Montreal financial circles when it was made public this morning. The presentation of the fact, while not an exhaustive treatment of the situation that will come later, is of a character that must raise considerable doubt as to the value of the assertions of Sir Henry Drayton and W. M. Acworth. The statement is moderate in tone, Mr. Chamberlin having apparently been only concerned with removing certain erroneous impressions concerning the position of his company.

SPECULATION AS TO GOVERNMENT'S RAILWAY POLICY

Some Surprise Regarding Statement of Number of Rails.

POLITICAL MANOEUVERING

Steps Taken Will Probably Depend Upon Developments Bearing Upon Election Possibilities.

Discussing the railway situation at Ottawa, THE POST'S correspondent points out that Hon. Frank Cochrane, Minister of Railways and Canals, made a statement in the House this week that the railway policy of the Government will be announced shortly. This announcement was received with some surprise, and particularly in Government circles, as it is well known that the reports of Sir Henry Drayton and F. W. Acworth and Mr. A. H. Smith have not yet been considered by the cabinet. It is hardly thought possible that Mr. Cochrane would decide upon the policy to be adopted without consulting his colleagues. No policy could be adopted without the consent of Sir Robert Borden, and it is understood that he has not had time yet to take up the report. Mr. Cochrane was probably speaking "politically."

As a matter of fact, the Government will not likely definitely decide on their policy until the bill for the extension of Parliament is disposed of. If the Liberals agree to extension then the Government will formulate its policy, and legislation will be introduced this session. If the extension is refused and the Government decides to go to the people, it is very possible the legislation will be drafted and submitted to the electorate for approval, but not passed Parliament.

The opinion at Ottawa seems to be that the Drayton report will largely be the basis for the Government's policy. However, there is no particular reason for such an opinion.

AN IMPERIAL CABINET HAS BEEN CONCEDED--BORDEN AND HUGHES DIRECTLY RESPSONSIBLE

Continued from page 1.

him in Australia. It nearly secured his defeat. It employed men in his own party to fight him. What is this Powerful Influence that has been secretly at work in the heart of the Empire, at Washington, at Ottawa? The United States is now lifting the lid from its junior satellites. By strengthening Sir Robert Borden's hands, by strengthening Mr. Hughes' hands, President Wilson's hands, Lloyd George's hands, we may expose the whole inner plot. We want an Imperial Cabinet that may trace these Secret Influences to their source. They will be investigated, if the new Imperial Cabinet does its duty; if Premier Hughes has his way; if President Wilson has his way. If they are investigated some Dukes and Duchesses, some former Cabinet Ministers and some prominent members of the Anglo-American set in London will, if they get their deserts, find themselves in St. Helena; but their sufferings will be slight as compared with those of the widows and orphans, the fathers and mothers whose relatives went down to unnecessary slaughter as a result of the Mysterious Power behind the throne—that worked right in the British Headquarters in France.

More than a year ago *MacLean's Magazine* told, in very guarded language the story—which few believed—of the Hidden Hand in the United States, with $40,000,000 in its treasury. The magazine said that $100,000 was paid for a set of letters by which it was hoped to blackmail—not for money, but for influence—the most powerful man in the United States. It failed and the intriguers, and the blackmailers, are being steadily rounded up and the magazine story is being proven. The trail led to former Secretary Bryan, of the United States, and this week a witness swore to Bryan's participation in the plot. It lead to influential quarters in Ottawa. A well-known financial writer in England tells of a similar trail in England, leading to men highly placed in British public life. Some secrets of their careers have been discovered and are being held over them to the detriment and safety of the Empire.

A $9,000,000 Steel Plant

THAT the United States Steel Corporation had decided to proceed at once with the erection of a Canadian plant near Windsor, at an immediate expenditure of $9,000,000, was the authoritative and exclusive information given in last week's FINANCIAL POST. This outstanding "scoop" was but one of many in this issue.

A striking special from Washington on the success of the Balfour mission and the possibility of meeting the submarine menace by American co-operation was the most vital feature of the issue. The seriousness of the situation was bluntly stated.

The greatest strength of THE FINANCIAL POST lies in its regular services and special features. Last week fifteen solid columns of live and timely security news was presented, something being told about every security of any importance on the market.

Two splendid new features were inaugurated in a weekly article on agricultural conditions by F. M. Chapman, editor of *The Farmer's Magazine*, and a weekly review of international finance by Agnes C. Laut, the famous Canadian writer on economic problems, whose work is also found in *Saturday Evening Post* and *Collier's Weekly*.

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MONEY, BANKING AND EXCHANGE

Bank Clearing Returns Show a Slight Falling Off, but are Still Ahead of Last Year—For the Dominion the Gain was 25.1 per cent.

Bank clearings, according to official returns made to the FINANCIAL POST, for the week ending Thursday last are slightly down as compared with the previous week both in the East and in the West but are 25.1 per cent. ahead of the corresponding week last year. In the East the gain was 17.4 per cent. and in the West 44.9 per cent. The cities in the West to register the largest gains were Calgary 72.9 per cent.; Lethbridge, 67.8; Saskatoon, 61.2; Regina, 54.0 and Winnipeg, 49.0. In the East Brantford showed a gain of 32.2; Toronto, 30.1; Hamilton, 25.1; and Halifax 24.8 per cent. It will be noted that Quebec was the only city to show a decline but it must be remembered that Thursday last was a holiday in the Province of Quebec therefore the clearings from that point would be for five days only. For the year to date the gain was 29.7 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)

Eastern Cities.

	May 17, 1917.	Change.	%
Montreal	$ 81,588,415 +	$ 7,240,482	9.7
Toronto	65,367,154 +	15,126,440	30.1
Ottawa	5,809,549 +	590,596	11.3
Hamilton	4,747,633 +	953,100	25.1
Quebec	3,683,882 —	170,424	4.4
Halifax	2,784,576 +	553,029	24.8
London	2,308,757 +	202,184	9.6
St. John	2,132,814 +	414,891	24.2
Brantford	839,225 +	204,355	32.2
Peterboro	630,438 +	119,228	23.3
Sherbrooke ...	614,049 +	22,214	3.7
Total, East..	$170,506,492 +	$ 25,256,095	17.4
Kitchener	672,221		

Western Cities.

	May 17, 1917.	Change.	%
Winnipeg	$ 54,884,948 +	$ 18,060,722	49.0
Vancouver ...	7,471,407 +	1,497,519	25.0
Calgary	6,823,280 +	2,873,671	72.9
Edmonton	2,366,494 +	252,970	11.9
Victoria	1,528,304 +	28,678	1.9
Regina	2,790,068 +	978,782	54.0
Saskatoon	1,654,237 +	624,451	61.2
Moose Jaw ...	1,048,946 +	281,827	36.6
F. William ...	649,511 +	139,806	27.4
Brandon	419,179 —	30,339	6.9
Lethbridge ...	765,180 +	309,167	67.8
N. Westmi'ster	344,830 +	34,218	11.0
Medicine Hat..	556,855 +	146,765	35.7
Total, West.	$ 81,303,234 +	$ 25,197,732	44.9
Gr. total ..	$251,809,726 +	$ 50,453,827	25.1
Yr. to date.	$4,541,946,369 +	$1,039,493,377	29.7

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending May 10 aggregate $5,669,524,000, against $6,628,249,000 last week and $4,435,351,000 in this week last year, an increase of 28.0 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	May 10	I. or D.		May 3
New York ...	$3,290,793	I	23.4	$4,077,451
Chicago	510,842	I	36.1	568,579
Philadelphia .	340,345	I	51.2	364,081
Boston	214,810	I	11.7	258,655
St. Louis	128,693	I	33.7	127,390
Kansas City .	140,761	I	63.3	137,329
San Francisco	87,767	I	37.1	96,122
Pittsburgh ...	73,573	I	26.3	85,888
Cleveland	65,415	I	64.4	65,569
Detroit	53,369	I	45.4	57,024
Baltimore ...	39,190	D	1.8	45,258
Cincinnati ..	40,025	I	19.7	37,969
Minneapolis .	34,729	I	45.4	38,246
New Orleans.	34,239	I	43.4	34,137
Los Angeles .	30,111	I	20.4	33,844
Omaha	34,847	I	52.1	35,030
Milwaukee ...	25,023	I	31.0	26,709
Atlanta	24,355	I	41.0	24,097
Louisville ...	18,762	I	4.8	18,078
Richmond ...	24,729	I	50.0	24,296
Buffalo	18,558	I	24.7	17,698
Seattle	18,736	I	36.2	19,988
St. Paul	14,826	I	5.1	19,095

MONEY.

There have been changes in the position of call money both in London and New York this week. In London the rate has softened from 4½ per cent. to 3¾ per cent., while in New York, after advancing to around 4 per cent. at the close last week, the rate fell back to about 2½ per cent. on Wednesday. There has been a marked easing of the money situation on both sides of the Atlantic this week.

Activity in Roubles following the announcement that a loan had been made by the United States government to Russia was the feature of the exchange market this week. Roubles opened on Monday at 27.20 for demand and 27.40 for cables. On Tuesday there was a further drop to 27.15 and 27.25 but on Wednesday, after the loan had been announced, there was a recovery to 27.25 and 27.50 respectively. Yesterday there was a further improvement, quotations going to 27.40 for demand and 27.50 for cables.

Demand sterling was also firmer. It opened the week at 4.7545 to 4.75½ and rose by yesterday to 4.7555 to 4.75 9-16. Cables remained unchanged at 4.76⅝ to 4.76 7-16.

There was no change in francs, these being quoted throughout at 5.73 for demand; 5.72 for cables. Lires on the other hand were noticeably firmer, demand advancing from 7.05 to 7.01 and cables from 7.04 to 7.00.

New York funds have been a little weaker. On Monday quotations were 7-16 to 31-64 premium, while yesterday the premium had declined to 5-16 to ⅜. The grain movement has had most to do with the change, this being now in full swing once more. A lot of exchange has been offered during the week.

ROYAL.

A. J. Maclean, manager of the Royal Bank agency at North Sydney, has been appointed manager of the branch at Nelson, B.C. Mr. Jubien, manager of the branch at Glace Bay, will succeed Mr. Maclean at North Sydney.

W. Cameron, inspector of branches of the Royal Bank in Alberta, has been transferred to Winnipeg where he will fill the position of assistant to the supervisor.

C. L. Miller, for nearly two years accountant in the Royal Bank at Leamington, has been transferred to the Tillsonburg branch.

R. G. Baird, who for the past sixteen months has been manager of the Fort William branch of the Royal Bank, has been appointed manager of the grain exchange branch of the Bank at Winnipeg. Mr. Baird went to Port Arthur as manager of the branch in August, 1913, and, after spending two and a half years there, was placed in charge of the branch at Fort William in January, 1916. He is succeeding H. S. Murray, who has been appointed chief inspector of Western branches, being formerly one of the company's travelling inspectors. H. B. Wilson, assistant manager at Edmonton, succeeds Mr. Baird at Fort William.

S. L. Cork, manager of the Woodstock branch of the Royal Bank, has been appointed chief inspector of the bank for Ontario, and will be succeeded at Woodstock by C. H. McDunnough, of Toronto.

MONTREAL.

F. J. Naftel, manager of the Tweed, Ont., branch of the Bank of Montreal, has been transferred to the branch at Amherst, N.S. He will be succeeded at Tweed by F. E. Fisher, of the North Battleford, Sask., branch.

COMMERCE.

Pte. James C. Currie, former manager of the Canadian Bank of Commerce at Winnipeg, is reported as having been killed in action. Pte. Currie left with a Saskatchewan battalion a year ago and landed in France just a month after leaving Camp Hughes.

F. W. Demille, manager of the Bank of Commerce, at Fredericton, N.B., died suddenly this week while on his way to the bank. Mr. Demille was a native of Halifax, and went to Fredericton from Waterloo, Ont., two years ago.

Pte. William Collins, a former Kincardine boy, who before enlisting at Calgary, was a member of the Bank of Commerce at that point, is reported as having been killed in France on the 14th inst.

B. N. A.

Kenneth L. Wilson, teller in the Bank of British North America at Lindsay, for some time, has been transferred to the branch at Fenelon Falls.

MERCHANTS.

Charles Martyn of the Mitchell branch of the Merchants Bank, has been promoted to the accountant's desk. Mr. Harvey, the former accountant, has been appointed to the Markdale branch.

D. C. Macarow, general manager of the Merchants Bank is back at his office after a short illness.

Pte. J. H. Pearsall, who before enlisting was a member of the Merchants Bank at Orillia, is reported as having been killed in action on April 11th. Pte. Pearsall went overseas with the machine gun section of the 157th Battalion.

A branch of the Merchants Bank has been opened at Waterford, under the management of A. G. Loughney, late of the Stratford office, with R. H. Magwood as accountant.

IMPERIAL.

A branch of the Imperial Bank has been opened at Springwater, Sask., under the management of P. C. Routledge.

H. D. Robinson, teller at the Watford branch of the Sterling Bank, has been transferred to Goderich as teller.

N. J. Stevenson, teller at the Fort Erie branch, has been transferred to the branch at Montreal.

G. V. Donnelly, teller at Shedden, has been transferred to Fort Erie.

P. Cameron, of the Killaloe branch, has been transferred to Port Dalhousie, to take over the duties of teller.

W. C. Stephenson, teller at Port Burwell, has been transferred to the Killaloe branch as teller.

Owen Sound bank managers are considering the advisability of keeping the bank offices open on Saturday afternoons until four o'clock during the summer months, with a view to accommodating the farmers in the surrounding townships who often find it difficult to come to town until Saturday afternoon without interfering with work on the farm. If the idea is adopted, it is likely that the banks will take the afternoon holiday about the middle of the week.

B. C. MORTGAGE ASSN.

Annual Meeting at Vancouver—Officers Elected.

The annual meeting of the Mortgage Loan Association of British Columbia was held this week in the board room of the Mainland Fire Underwriters' Association in Vancouver. John Appleton, secretary of the Dominion Mortgage and Investments Association of Toronto, was present, and gave an address outlining the aims and objects of the Dominion Association. The election of officers for the ensuing year resulted as follows:—President, Geo. L. Smellie, of the Canada Permanent Mortgage Corporation; Vice-president, J. R. Waghorn, of Waghorn, Gwynn & Co.; Secretary, Geo. L. Schetky, of the North American Loan Co. The above officers, with R. K. Houlgate, formerly of the Yorkshire Guarantee and Trust Co., and Mr. A. C. Stirrett, of the Credit Foncier Company, will compose the executive.

STOCK EXCHANGE OCCUPIES VERY IMPORTANT PLACE.

Speculation Only Another Name for Foresight, Says J. Pitblado, in Interesting Address.

John Pitblado, of the firm of J. Pitblado Co., delivered an interesting address on the Stock Exchange, at the Electrical Luncheon in Montreal last week. After briefly sketching the growth of the London Stock Exchange from the day when the traders met on the floor of St. Paul's Cathedral and were driven out by Archbishop Law, to Jonathan's coffee house, Mr. Pitblado told of the founding of the New York and the Montreal Stock Exchanges, and spoke of the relations between brokers and clients, the difference between speculation and investment, and the general importance to both industry and capital of the Stock Exchange.

From the standpoint of the investor and speculator, the Exchange provided a place at which to buy certified securities and a place at which he could also dispose of his holdings if he wished to realize on them; from the standpoint of industry, it proved a means to obtain capital. While many deprecated speculation, there was really very little difference between speculation and investment. Ninety per cent. of the trading was for speculative interests, and it was a good thing in the long run, keeping stocks pretty close to their true value. Margin trading was an evil only when a man bought, who could not afford to lose and yet had not sufficient funds to protect his holdings in a falling market.

"Speculation is only another name for foresight," quoted Mr. Pitblado.

PRODUCTION OFF AT GOOD START IN ALL CANADA.

Continued from page 1.

now instead of importing, as they did a year ago from Eastern Canada and the United States. The Department of Agriculture recently announced that $729,000 worth of butter had been exported from Manitoba, a province that imported so recently as 1912 over 50 carloads. The cheese and butter output of Alberta and Manitoba, the two biggest cattle provinces in the West, for the years of the war are as follows:

	Butter, lbs.	Cheese, lbs.
Alberta.		
1914	5,444,806	70,581
1915	7,376,871	372,693
1916	8,400,000	680,000
Manitoba.		
1914	8,650,355	471,355
1915	9,990,111	726,725
1916	10,997,799	880,728

Strong Wool Market.

The wool situation is strong. Our prices in Canada are largely governed by the U. S. quotations, and wool is being contracted for at 53 cents a pound at several points. The provinces of Canada are nearly all trying co-operative grading and marketing this year, and higher prices are likely to obtain this year by fully 30 per cent. over last year's figures.

The wool clip of Canada will likely total about 12,000,000 lbs., which at the prevailing prices of 45 cents means $5,400,000 to agriculture, an income that ought to be five times as great in a country that could support sheep so advantageously.

Many people feel that the guaranteeing of minimum prices to farmers would have produced bigger results, for undoubtedly there is every need for all efforts. It is not too late even yet for next year's crops to do something towards inducing a good preparation and large acreage of winter wheat.

The campaign to eliminate waste in every form has only half-heartedly begun as yet. Less productive labor should be cut to the minimum. Machinery of all kinds should be hurried to the agricultural first lines. The utilization of all areas should be made in buckwheat, millet, turnips or pasturage of livestock. The farms cannot get on to a war basis too soon.

Dean Rutherford and Prof. Bracken, of Saskatoon University, have performed a service to Western farmers in advocating thicker seeding to hasten maturity, and other timely ideas from authorities to ensure results should be promoted as the season advances.

J. A. Thompson, Winnipeg, reports that his firm has purchased $12,500, 7 per cent., 15-year debentures of the Sunnyside Rur. Tel. Co., and $5,200, 7 per cent. debentures of the Fox Rur. Tel. Co., Ltd.

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REPORT OF BANK MONTREAL AND WAR FINANCE

Fundamental Strength of the Country's Position Reflected.

SOME IMPORTANT CHANGES

Large Sums Transferred as Between Accounts, But Large Proportion of Liquid Assets Well Maintained.

With the world nations watching closely for indications of changing influences with regards to their economic positions, the half-yearly statement of the Bank of Montreal will be reviewed with more than usual interest in Canada at this time, as it may be regarded more or less as a barometer of our financial standing, both from a commercial and national point of view. The bank's affairs are closely entwined with the finances of the government and the country in general and it is, therefore, satisfying to find that, although there have been some important changes as between different accounts the remarkably strong liquid position of a year ago has been well maintained. According to the standard of the FINANCIAL POST the immediately available liquid assets total 59.6 per cent. of the total assets and 64.76 per cent. of the liabilities to the public; a year ago the percentages were 61.93 and 67.74 per cent. respectively.

The influence of war financing is at once apparent when comparisons are made. There is an increase of $15,882,593 in the holdings of Dominion and Provincial Government securities and an increase of $15,352,095 in the total of Municipal, British, Foreign and Colonial securities. The first may be accounted for in the bank's holdings of government war bonds and other government securities and the latter in the investments made in British Treasury bills or other securities for the financing of munition orders placed in this country.

Other important changes in the trend of the bank's finances are indicated in the fact that balances abroad have been reduced by $43,981,818 and call loans abroad are higher by $23,881,322. To understand the big reduction of balances due from foreign banks it should be explained that in the statement a year ago there was an increase of nearly $53,000,000, which probably represented proceeds of the previous Dominion loan in New York which had not been brought home, or funds loaned out in other foreign markets to better advantage than could have been the case in Canada, where there was not a heavy demand for capital at the time. The increase in the call loans abroad is probably one of the reflections of the reduction in balances abroad just referred to.

Current loans show comparatively little change, there being a small reduction of $644,799. The gold reserve is increased by $4,000,000 and specie by $3,123,764 but holdings of Dominion notes are lower by $18,669,255. Municipal securities are increased by $1,381,277 and other securities are lower by $3,110,552—the latter including railway and other bonds, etc.

There is a decrease of about $4,400,000 in the total deposits, the total on demand being lower by $43,188,817 and savings higher by $38,725,443; this reflects on the total assets which are lower by $3,614,814. The decline in demand deposits is not surprising when it is stated that the increase a year ago was $70,000,000 and the change is no doubt a reflection of the varying financial arrangements of the Dominion Government and the Canadian Pacific Railway. Following are comparative figures:

Immediately Available Liquid Assets.

	1917	1916	Change
Specie	$21,556,501	$18,432,737 +	$3,123,764
Dom. notes	30,971,312	49,640,567 —	18,669,255
Nt. Cr. Dep.	790,00	757,846 +	32,154
Notes, bk.	1,716,821	1,542,032 +	174,789
C. lns. ab.	114,156,888	90,275,566 +	23,881,322
Bk. bal. ab.	23,189,919	67,171,736 —	43,981,818
Gov. secs.	16,273,465	450,872 +	15,822,593
Gold res..	7,000,000	3,000,000 +	4,000,000
Cheques .	12,327,296	10,251,162 +	2,076,134
	$227,982,202	$241,522,518 —	$13,540,316
% total as.	59.06	61.93	
% liab. pb.	64.76	67.74	

Other Assets

	1917	1916	Change
Pub. secs.	$28,090,026	$12,737,931 +	$15,352,095
Other secs.	14,722,193	17,832,745 —	3,110,552
Cur. loans.	91,733,075	92,377,874 —	644,799
Elsewhere.	6,200,179	6,285,299 —	85,120
Municipal.	11,380,184	12,761,461 —	1,381,277
Over debts.	403,854	386,656 +	17,198
Bk. prem..	4,000,000	4,000,000	....
Lets. Cred.	2,106,163	2,072,829 +	33,334
Other as...	189,011	444,388 —	255,377
	$158,824,685	$148,421,701 +	$9,925,502
To. assets.	$386,806,887	$390,421,701	

Liabilities to Public

	1917	1916	Change
Cir.	$21,891,437	$17,926,058 +	$ 3,955,379
Dem. dept.	91,412,285	134,601,102 —	43,188,817
Savings .	232,731,994	194,006,551 +	38,725,443
due bks..	2,873,064	5,750,761 —	2,877,697
Due else..	514,708	354,494 +	160,214
Accept. .	2,106,163	2,072,829 +	33,334
Bills pay.	475,789	1,043,281 —	567,492
Other liab.	681,286	773,038 —	91,752
	$352,686,726	$356,538,114 —	$3,851,388

Liabilities to Shareholders

	1917	1916	Change
Capital ..	$16,000,000	$16,000,000	$.........
Reserve...	16,000,000	16,000,000	....
Divids. ..	563,126	562,394 +	732
Balance .	1,557,035	1,321,193 +	235,842
	$34,120,161	$33,883,587 +	$ 236,574
Total..	$386,806,887	$390,421,701 —	$3,614,814

From the chareholders' standpoint the report is a very satisfactory one not only because of the strong liquid position indicated but from the standpoint of earnings, the statement of profits showing an increase of about $120,000 as compared with the first six months of the previous year. Following are comparative figures in this connection:

	1917	1916	1915
Net profits....	$1,182,610	$1,067,240	$1,080,196
Bal. forward..	1,414,424	1,293,952	1,232,669
	$2,597,034	$2,361,193	$2,262,864
Dividends ..	$ 960,000	$ 960,000	$ 960,000
War tax	80,000	80,000	50,000
Balance	1,557,034	1,321,193	1,252,864
	$2,597,034	$2,361,193	$2,262,864

Altogether the report is one which must inspire great confidence in the bank's and country's position and this may be emphasized by stating that in the foregoing analysis the public securities, including British treasury bills, are not regarded as immediately available assets, although they are of a very high standard. The document cannot but have a good effect in the world money markets as a further indication of the stability of Canada's business and finances.

ENCOURAGING OUTLOOK FOR CANADIAN COTTONS

President Hosmer in Report Refers to Situation as Regards Dye and Labor Problems.

In presenting the annual statement for the year ending March 31, which established high records for volume of business and profits thereon, the directors of Canadian Cottons intimated to the shareholders that a continuation of prosperous conditions might be looked for. President C. R. Hosmer referred to the outlook for the coming year as encouraging, and in this connection stated that the supply of dye stuffs which had been the cause of anxiety in the past, was showing steady signs of improvement. There are, however, certain elements of uncertainty to which reference was also made by the president. He stated that the current year had been a perplexing one owing to the violent fluctuations that were constantly occurring in the price for raw cotton and also owing to the abnormally high prices prevailing for mill supplies. It was pointed out that the constantly increasing cost of labor had to some extent been absorbed by the benefits accruing to the company from the improved machinery that had been installed from year to year and which is being operated in a highly efficient manner by skilled help.

Following last week's summary of the profit and loss account comparative figures are herewith presented, showing the earnings and distribution for the past three years; the improvement of 1917 over 1916 is all the more remarkable when compared with 1915:

Profit and Loss

	1917	1916	1915
Main profits.	$593,373	$515,114	$369,411
Mill rent....	199,559	201,434	204,465
Earnings..	$792,832	$716,548	$573,877
Bond	$209,700	$209,700	$210,250
Pref. Divid..	219,690	219,690	219,600
Com. divid...	108,620	......	......
R. bad debts	10,000	10,000	10,000
War tax	26,574	......	......
Bal. forward	218,248	277,158	133,937
	$792,832	$716,548	$573,877
Total sur...	$1,598,571	$1,380,322	$1,103,163

In the following summary are presented comparative figures for a period of six years which gives an opportunity for comparison of results under war conditions with operations prior to 1914:—

Six Years' Record.

	Sales	Net Profit	Total Profit	Surplus
1912.	$3,958,000	$434,000	$589,977	$174,477
1913.	4,407,164	481,503	648,510	205,213
1914	3,500,476	411,104	602,943	163,253
1915.	3,321,161	369,412	573,878	133,938
1916.	5,540,214	515,114	716,548	277,158
1917.	5,719,225	593,272	792,832	218,248

A feature of the balance sheet is the reduction which has been effected in the current liabilities, which were over $2,000,000 in 1915, and in the 1917 statement were reduced to less than half. Following are comparative figures:—

Balance Sheet Comparisons.

Assets—	1917	1916	1915
Prop. in.	$10,811,957	$10,789,295	$10,770,007
Sec. own.	278,800	318,800	403,800
Inven...	1,209,004	1,222,680	1,885,711
Cah. & ac.	926,269	775,358	754,627
Bds. avail.	556,000	617,000	670,000
	$13,782,030	$13,723,134	$14,484,145
Liabilities—			
Cap. stk.	$ 6,377,000	$ 6,377,000	$ 6,377,000
Fd. debt.	4,750,000	4,811,000	4,875,000
Cur. ...	991,459	1,097,837	2,075,912
Bd. debts	65,000	56,974	53,069
Pr. & loss	1,598,571	1,380,322	1,103,164
	$13,782,030	$13,723,134	$14,484,145

LARGER EARNINGS AND IMPROVED LIQUID POSITION

Good Showing by Sterling Bank in the Annual Statement.

EARNED 13.4% ON CAPITAL

This Compared With 11.3 Per Cent. in 1915—Immediately Available Assets Are 29.7 Per Cent. of Total.

A substantial increase in earnings, accompanied by a material improvement in liquid strength, are features of the annual statement of the Sterling Bank for the year ending 30th April. Analysis of the figures submitted to the shareholders indicates that the rate of earnings on capital invested rose from 11.3 per cent. in 1916 and 9.6 per cent. in 1915 to 13.44 per cent. in 1917, which is the bank's best showing by a considerable margin. At the same time the proportion of immediately available liquid assets was increased, the bank's position being strengthened rather than extended as is usually the case when earnings advance. According to THE POST'S standard, the immediately available liquid assets were 29.7 per cent. of the total assets, compared with 23.7 per cent. in 1916, and were 33.6 per cent. of the liabilities to the public compared with 27.8 per cent. in the previous year.

The total assets of the bank at $13,759,887 showed an increase of $3,015,572. Practically the whole of this was accounted for by the increase in deposits, those on demand increasing by $1,802,261 and savings being higher by $1,080,909. The great bulk of the increased funds was invested in Dominion and Provincial Government securities a new item of $1,322,404, and in Canadian Municipal Securities and British, Foreign and Colonial Public Securities which showed an increase of $1,147,566. The bulk of the former of these items represents the bank's investments in the Dominion war loan and in other government securities, while included in the latter are the holdings of British treasury notes in which investment has been made in order to facilitate the financial operations of the Imperial Munitions board. The new item of government securities represents the bulk of the increase in the immediately available assets, the total being $1,512,330 and the only other important increase being $220,527 in Dominion notes. In other assets, in addition to the increase in public securities, the important changes were an increase of $521,959 in current loans, representing the bank's increased service for general business requirements, and a decline of $271 812 in call loans, which indicate the more restricted state of trading on the stock exchange.

The only important change in the liabilities, in addition to the larger deposits referred to, is the increase in circulation of $109,620 which is a further indication of the enlarged financial requirements for commercial purposes. The following are comparative figures of the balance sheet:

Immediately Available Liquid Assets.

	1917	1916	Charge
Specie	$ 52,964	$ 43,699 +	$ 9,365
Dom. notes..	1,421,354	1,200,827 +	220,527
Note Cr. Dep.	58,607	56,900 +	1,707
Notes, bank.	173,146	154,443 +	18,703
Bank balance	5,000	10,312 —	5,312
Bank bal. ab.	467,282	530,007 —	62,725
Gov. secs....	1,322,404	...... +	1,322,404
Cheques	565,289	557,528 +	7,761
	$4,066,046	$2,553,716 +	$1,512,330
*% of assets	29.7	23.7 +	6.0
†% of liab. to public..	33.6	27.8 +	5.8

Other Assets.

	1917	1916	Charge
Public Secs..	$2,071,030	$ 923,464 +	$1,147,566
Other secs...	619,366	547,407 +	71,959
Call loans...	173,545	445,357 —	271,812
Cur. loans..	6,434,899	5,912,940 +	521,959
Over debts..	17,680	17,024 +	656
Bank prem..	275,723	273,434 +	2,289
Lets. of cred.	2,436	914 +	1,522
Other assets.	99,162	70,059 +	29,103
	$9,693,841	$8,190,599 +	$1,503,242
Total assets.	$13,759,887	$10,744,215 +	$3,015,572

Liabilities to Public.

	1917	1916	Charge
Circulation .	$1,269,600	$1,159,980 +	$ 109,620
Demand dept.	3,440,590	1,638,329 +	1,802,261
Savings	7,237,401	6,156,492 +	1,080,909
Due banks..	215,947	209,772 +	6,175
Acceptances.	2,436	914 +	1,522
	$12,165,974	$9,165,487 +	$3,000,487

Liabilities to Shareholders.

	1917	1916	Charge
Capital	$1,212,174	$1,206,299 +	$ 5,875
Reserve	300,000	300,000	....
Dividends ..	20,910	19,794 +	1,116
Balance	60,829	52,735 +	8,094
	$1,593,913	$1,578,828 +	$ 15,085
Total ...	$13,759,887	$10,744,315 +	$3,015,572

*Per cent. of liquid to total assets.
†Per cent. of liquid assets to liabilities to the public.

Profit and Loss.

From the profits of $161,270 were deducted: dividends of $72,582; taxes of $20,594 and $60,000 as reserve for depreciation. The remainder was added to the surplus profits now

Continued on page 18.

Give Your Wife One

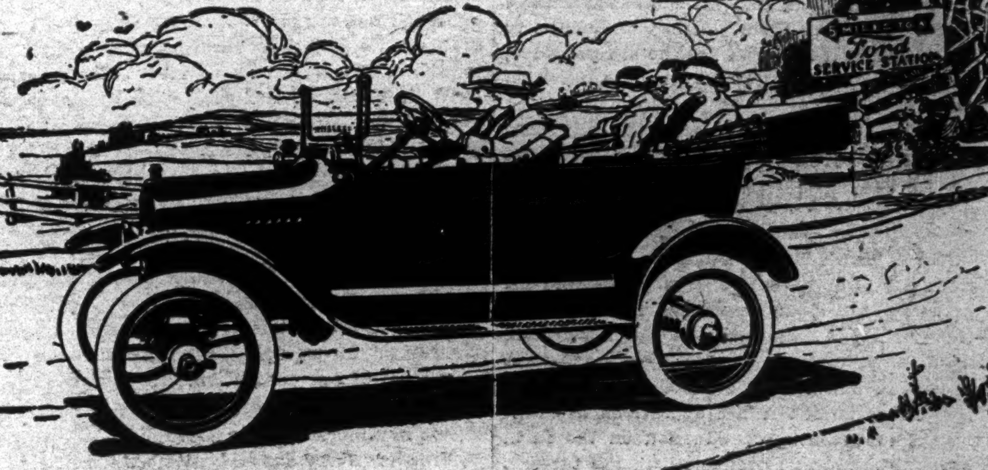
THOUSANDS of wives and daughters run their own Ford cars. They use them for shopping, calling, attending the theatre, taking the children for a run in the country or to school.

The Ford is as easy to operate as a kitchen range, no knowledge of mechanical details being necessary. Inexpensive to operate. A woman can call around town all afternoon, or take a 25-mile spin in the country, at the minimum of cost for gasoline, oil, wear on tires, etc.

You couldn't give "her" a present she would appreciate more than this beautiful, modern car, with its stream-line effect, tapered hood and crown fenders.

Ford

Runabout -	$475	Town Car -	$780
Touring - -	495	Sedan - -	890
Coupelet - -	695	F. O. B. Ford, Ont.	



Ford Motor Company of Canada, Limited

FORD - - - ONTARIO

Over 700 Ford Service Stations in Canada.

45

THE BARRYMORE CLOTH COMPANY, LIMITED.

PUBLIC NOTICE is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 7th day of May, 1917, incorporating Elizabeth Knox, Emma Pearl King, Mary Elizabeth Cherrier, Eva Levitt and Kate Campbell, stenographers; Harry Gordon Keen, student-at-law, and John Francis Boland, barrister-at-law, all of the City of Toronto, in the province of Ontario, for the following purposes, viz:—(a) To carry on the business of cotton doublers, weavers, linen manufacturers, cotton, cloth, jute and wool merchants, wool combers, woollen spinners, yarn merchants, stuff and silk manufacturers, bleachers and dyers and makers of vitriol, bleaching and dyeing material, and to purchase, comb, prepare, spin, dye and deal in jute, wool, cotton, silk and other fibrous substances, and to weave or otherwise manufacture, buy and sell linen, cloth and other goods and fabrics, whether textile, fiddled, netted or looped; to carry on the trade or business of manufacturing, producing, adapting, preparing, buying and selling and otherwise dealing in woollen and worsted goods and other fabrics, and to manufacture, produce, purchase, adapt, prepare, use, sell or otherwise deal in any materials, articles or things required for, in connection with or incidental to the manufacture, use, purchase, sale of or other dealing in woollen and worsted goods and other fabrics: to manufacture or trade in property and goods of all kinds; (b) To acquire by purchase, lease or otherwise, and hold, use and improve, manage, lease, exchange, dispose of or otherwise deal with lands, tenements and hereditaments and immovables and interests therein, and to erect, alter, repair and maintain buildings upon any lands in which the company may have any interest, either as principal or agent, or upon any other lands, and to deal in building materials of all kinds; (c) To acquire and take over as going concerns or otherwise the undertakings, assets and liabilities of any person or company carrying on any business in whole or in part similar to that which the company is authorized to carry on or possessed of property suitable for the purposes of this company, and with a view thereto to acquire all or any of the shares in liabilities of such companies; (d) To carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value or render profitable any of the company's property or rights; (e) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (f) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (g) To enter into any arrangement with any government authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (h) To establish and support or aid in the establishment and support of associations, institutions, funds, and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons and to manage, invest and deal with funds, subscriptions and other payments made by or on behalf of employees or ex-employees or of associations composed of employees or ex-employees, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (i) To promote any company or companies for the purpose of acquiring all or any of the property, rights or liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (j) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade; (k) To construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, water-courses, wharves, manufactories, warehouses, electric works, shops, stores and other works, conveniences which may seem calculated directly or indirectly to advance the company's interests and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (l) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons; (m) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments, (n) To apply for, secure, acquire by assignment, transfer, purchase, or otherwise, and to exercise, carry out and enjoy any charter, license, power, authority, franchise, concession, rights or privilege, which any government or authority or any corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect, and to appropriate any of the company's shares, bonds and assets to defray the necessary costs, charges and expenses thereof; (o) To sell, lease or otherwise dispose of the property or undertaking of the company, or any part thereof, for such consideration as the company may think fit, and in particular and notwithstanding the provisions of section 44 of The Companies Act, for shares, debentures or securities of any other partnership, association or company; (p) Notwithstanding the provisions of section 44 of The Companies Act, to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal or in contract with reference to, bonds, debentures, stocks or other securities or obligations or any state or interest therein; and to apply or to accept in whole or in part as consideration or satisfaction or security for any contract, indebtedness or obligation to or of the company, property, obligations, shares and securities of any kind at such valuation and upon such terms as may be agreed upon; and to apply or to accept as security for any indebtedness to the company mortgages of land or chattels upon such terms as may be agreed upon; (q) To invest and deal with the moneys of the company not immediately required, in such manner as from time to time may be determined; (r) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company, with full power to represent the company in all matters according to the law of such foreign country, and to accept service for and on behalf of the company of any process or suit; (s) To issue the stock, bonds, debentures or other securities of the company in payment in whole or in part of any of the foregoing; (t) To raise and assist in raising money for, and to aid, by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise, any other company or corporation and to guarantee the performance of contracts by any such company, corporation, or by any other person or persons with whom the company may have business relations; (u) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (v) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (w) To do any and all things set forth as its objects as principal, agent, contractor or otherwise, and to carry out any or all of the foregoing objects as principal, agents, sub-contractors or otherwise, and by and through trustees, agents, sub-contractors or otherwise, and alone or jointly with any other corporation, association, firm or person, and to do all and everything necessary for or incidental to the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated or incidental to the powers herein named, or which shall at any time be necessary for or incidental to the protection or benefit of the corporation; (x) The objects specified in each paragraph hereof shall, except where otherwise expressed in such paragraph, be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company; (y) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Barrymore Cloth Company, Limited," with a capital stock of one million dollars, divided into 10,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the secretary of State of Canada, this 9th day of May, 1917.

THOMAS MULVEY,
Under-Secretary of State

Macdonell & Boland,
2 Toronto St., Toronto,
Solicitors for applicants.

THE FINANCIAL POST OF CANADA

President - - - - JOHN BAYNE MACLEAN
Vice-President - - - - H. T. HUNTER
Manager - - - - R. G. DINGMAN

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Toronto, May 19, 1917.

WAR TAXES SHOULD BE MODIFIED.

THE POST is with Sir Thomas White in any effort to levy taxes to as large an extent as the commerce and resources of the country will permit. THE POST is with him in any plan to pay as large a proportion of the cost of this war at the present time as can be paid. THE POST is with him in any desire that all shall be made to sacrifice something, and that those who stay at home should make their contribution. We differ from him in our view as to taxation of war profits in the manner that he has proposed, because we believe that as adopted the principle has been carried too far.

The two great things that must be encouraged in Canada to-day are increased production and increased thrift and saving. The enormous tax which he proposes upon the profits of some incorporated companies, acts as the greatest discouragement to initiative and to production that could well be devised. Business men to-day are prepared to assume heavy burdens and to pay large taxes. Men, however, who are responsible for the investment of money for this cannot assume a responsibility which places upon them the possibility of large losses on the one hand, if unsuccessful, and on the other hand, of only a fraction of the profits gained if the operations are successful. We want to encourage production on the farm to-day. We want to encourage production in the factory. We want to encourage the re-investment in improved plant by manufacturers. We want to encourage the introduction of fresh capital into Canada and the conservation in Canada of her resources.

In his tax on profits the Minister of Finance has gone too far in one direction. He must modify it before it is too late, and if he finds it necessary to replace some revenue which he thinks is going to be lost thereby, then put some tax upon those articles, the consumption of which should be restricted in Canada to-day. Put some tax on the great incomes—ranging from $100,000 to $1,000,000 a year—which are drawn by people who have their investments in bonds and mortgages—much of whose money was made in real estate and other speculation—and who are themselves taking no risk and contributing nothing by their enterprise or ability to the production in the country.

INVESTIGATING THE PAPER MANUFACTURERS.

AN investigation began last week, by direction of the Dominion Government, into the newsprint situation. The charge is made by the newspapers, that the paper manufactures have, by combining, unduly enhanced the price of paper. During the past few months several interviews have taken place between the newspaper publishers and the manufacturers before the Minister of Finance.

We are informed that at two of these interviews certain manufacturers were neither truthful nor frank in the information they submitted, and that the newspaper representatives present were able to show from documents issued by these manufacturers, that the statements made at the Conference were untrue. This created not only a very bad impression among the leading newspapers of the country, but developed an unnecessary bitterness against all paper and pulp manufacturers. THE FINANCIAL POST has always advised Financial, Industrial and Public Service Corporations to be perfectly frank and perfectly truthful, in their dealings with their customers, the public and the press. Perfect frankness and perfect truthfulness, while temporarily, perhaps, a disadvantage, is always in the long run the best. Let us therefore, beg of all the manufacturers, in the interests of their own industry, in the interests of all industrial institutions in Canada, that in the investigation now in progress, they avoid all false statements, all trickiness in the presentation of their case. Any other policy is not in the interest of their security holders, and has not the approval of the best men on their directorates.

The Commissioner, R. A. Pringle, K.C., who is conducting the investigation on behalf of the country brought out very strongly a very important point on behalf of the manufacturers. He asked whether there was not a serious waste in the use of paper by the leading newspapers of the country. This is one of the weak features in the daily newspaper case. Not only could all the big daily newspapers be materially cut down, but they should be compelled, to cut down, in these times. It is almost a tragedy, to find, for example, when the fate of the Empire is hanging in the balance, when this country should be straining every nerve to win the war, and to prepare for after the war; to find that leading daily newspapers, not only give two pages to sports, but issue special editions in the interests of sports.

Mr. Pringle might have gone still further and asked whether several editions are necessary. Certain daily newspapers charge their competitors with issuing extra editions merely to pad circulation.

Again, there are daily newspapers which, to compete at outside points, accept subscriptions at less money than in their local field: they sell them at less than the cost of paper. There are many other economies the papers should be compelled to adopt, which would greatly cut down the consumption and permit the manufacturers to dispose of their surplus at the very fancy prices now prevailing in the United States market.

A CHANCE IN BLOOD LINES.

BRITISH farmers are reported to be willing to dispose of much of their pure-bred live-stock and poultry stocks in order to save in the food shortage. Hitherto the Clydesdale, Shorthorn, Ayrshire and Shropshire and other noted studs, herds and flocks have been very jealous of disposing of their best breeding stocks to America. The choicest blood, contrary to our Canadian farm practices, has been retained for reproductive purposes at home and long prices were no inducement to allow of the departure from their coasts of a Baron's Pride or a Duthie herd header. Now that the exigencies of war have relaxed somewhat these sentiments, it is the opportunity of Canadian breeders and farmers to secure animals in trust for the post-war trade that will be sure to follow. The establishing on this side the water, of breeding barns with such quality, would bring incalculable wealth to Canada. It would establish a reputation for our breeders that would make the buying world, track to our doors, in the future. Already several United States importations have been made and others will follow as the transportation facilities allow.

If we had big business men in our Ministry of Agriculture, they would get on this job without delay.

THE ERROR OF SUPPRESSING HEARST.

THEODORE ROOSEVELT says Hearst has done more than any other man to prepare the United States to fight Germany.

When some months ago our Deputy Postmaster-General, Dr. Coulter, issued an order forbidding transmission in the Canadian mails of the daily papers published by W. R. Hearst, and emphasized it by making it a criminal offence subject to a fine of $5,000 to be found with a copy of any of them in Canada, THE FINANCIAL POST entered a vigorous protest. This protest was not because of any love or admiration for Mr. Hearst—for some of the so-called Hearst policies would not last ten minutes in this office—but because we believed the step very unwise as a matter of policy. Succeeding events, culminating in the declaration of war against the Teutonic allies by the United States, and the enthusiastic rally to the national cause of Mr. Hearst, have emphatically proven the saneness and the soundness of our contention.

Dr. Coulter chose to offend the greatest individual factor in American daily journalism—with perhaps 5,000,000 readers every day—at a time when Britain and Canada was in very urgent need of American money, labor, settlers and sympathy. We pointed out that the Hearst publications had the largest circulation in the United States—with readers numbered by millions and including all classes; that these newspapers had not been unfriendly to Canada and that this uncalled for action would put Mr. Hearst, who is a quick tempered Irishman, in an antagonistic attitude. Exactly this happened. The Hearst papers at once called upon the United States government to stop Canada's campaign for labor and settlers and upon the bankers to stop buying our bonds. Plausible arguments with strong appeal to the general public were not difficult to find, and they were fairly successful. At any rate Canada was requested to go slow in its U. S. campaign. In this connection it might have been contended that Mr. Hearst was further displaying animosity towards the Allied cause, but it has remained for the entry of the United States into the war on the side of the Allies to reveal Mr. Hearst in his true colors.

When the United States went to war the Hearst papers were leaders in framing public opinion to the new and necessary attitude against Germany. Colonel Roosevelt has paid a high compliment to Mr. Hearst for the cooperation of his papers in connection with the universal service bill. The ex-president acclaims Mr. Hearst as the greatest newspaper man in the country and says that the support his papers gave to the service bill will never be forgotten. Further, the Colonel says, "No man has done more for his country during the crisis. He has given unlimited space to the army and navy league. He has championed the cause of justice and humanity and shown that he is a true American. There is no question but what his publicity programme had a great deal to do with the passage of the service bill for which assistance the people of this country can never thank him enough."

With the United States and Canada standing side by side in support of the Allied cause Dr. Coulter's action may not now do so much harm as it might otherwise have done—but that is not Dr. Coulter's fault.

EDITORIAL NOTES.

IT IS easier to demand that a food controller be appointed than it is to define just what he is to control.

* * *

LATEST figures indicate that the cost of living has risen about 100 per cent. in England since the outbreak of the war.

* * *

THE Minister of Agriculture of British Columbia says that the province is losing more than 3 per cent. on the money being loaned to farmers at 6½ per cent. In other words the general tax payers are paying 3 per cent. in order that the borrower may secure funds at 6½ per cent. Where this is an improvement over loans by the mortgage companies at 7 to 8 per cent., paid by the man getting the benefit, is something upon which the public should be enlightened. Winnipeg, Regina and Edmonton papers please copy.

* * *

MAJOR-GENERAL LEONARD WOOD, one of the ablest officers in the United States Army, is urging horse races as an aid to the country. In Canada we are trying to suppress them, instead of eliminating the grafters and putting racing on a clean basis.

MORGAN—THE MAN WHO CARRIES A MAGIC NAME

Something of the Personality of the Present Head of the Great American Banking House.

Something of the Personality of the Present Head of the Great American Banking House.

A private banking concern, the operations of which are so entwined with the finances and business of the United States and several European countries, that it may be regarded as both a national and international institution—such is the House of Morgan. Since the outbreak of the war, the name of Morgan has had a broad significance on both sides of the Atlantic. With the exception of the President, it is doubtful if there has been one American who has played a more important part in the shaping of the country's affairs than John Pierpont Morgan, the third of the line to head the house. And as is so often the case when son succeeds famous father, many have been the questions asked as to what manner of man he is. There are few who can answer, or at least answer with that intimate knowledge of a man who shuns the limelight and ignores public opinion displayed by B. C. Forbes, writing in *Leslie's Weekly*. Mr. Forbes answers a few of the questions which might be asked about the heir of the greatest financier America ever produced:—

Is Jack Morgan a second J. P.? He is not.

Is he a very able man? Able, yes; transcendently able, no.

Does he aspire to fill his father's shoes, to sit on the throne set up by his father and rule the financial world? J. P. Morgan the Second is not ambitious to become a great dominating force over the whole Kingdom of Finance. He possesses neither the will nor the qualities to become a Napoleon. He is obsessed by no lust of power. While far from being a figurehead in the activities of J. P. Morgan & Company, he is content to let his trusted associates, particularly Henry P. Davison, bear the brunt of the actual executive work, conscious that it is in capable hands. Mr. Morgan prefers to live a rational, unfevered life; for no honors or emoluments would be sacrifice his home life, forego the satisfying pleasures of his domestic hearth, or permit himself to become more of a money-making machine than a man, a husband, a father. He is infinitely more zealous that the reputation of his firm shall not be tarnished in the slightest degree than he is over winning additional millions.

What kind of a personality has he? He is the most undiplomatic man of importance in all America. He is the product of his heredity, a veritable Bourbon. He would consider it beneath his dignity, he would regard it as weak, contemptible, mugwampish to go out of his way one inch to placate the public or enable it to understand his motives—or even to remove a single false conception any of his acts may have created.

"He understands the public and can put himself in its place as little as you or I understand royalty or could put ourselves in its place," one of his associates, a staunch admirer, told me; and this unquestionably is the truth. His father did not have to reckon with the sovereignty of public opinion during the greater part of his life and his attitude towards the common people cost him, before the end, more than can be recorded. His son has not yet learned the lesson. Morgan the younger is as punctilious as any man in the land that his acts shall be honest and in every way above reproach, according to his lights; but he has woefully failed to realize that, next to doing the right thing, the most important consideration is to do it in the right way, that the public may see it is right.

He is sadly, seriously lacking in statesmanship, a fact that more than once has occasioned the financial community, especially its more responsible members, grave concern, for Mr. Morgan typifies High Finance in the eyes of the people, and when he assumes a cavalier, I-don't-care-a-snap-of-my-fingers attitude—as he did, not without provocation, when a witness before the Walsh Industrial Relations Commission—the effect upon the public upon public sentiment, upon citizens and voters as well as upon lawmakers, is incalculably injurious not merely to financiers as a class, but to the welfare of all. This hauteur of Mr. Morgan constitutes perhaps his most regrettable defect.

Is Morgan domineering? No. His apparently lordly attitude towards the public is due to a mistaken idea of his place in the financial structure. He does not look upon himself as the most dominant figure in the financial world, as powerful enough to defy anybody and everybody, as beyond the reach of criticism or control; he sees himself merely a private banker doing a large, valuable, constructive business, beneficial for the development of the nation's resources, honest and straightforward beyond cavil, scrupulously fair to his clients—and not accountable to anyone else, since it is nobody else's business.

Is he developing? Yes, responsibility has broadened him, and it may be that experience will in time teach him the necessity for cultivating some of the qualities he now scorns. More than one event of the last three years has been calculated to bring home to him the commonsense wisdom of striving honorably to gain the goodwill of his fellowmen and the shortsightedness, not to say folly, of antagonizing and irritating them by ignoring or flouting them. If J. P. Morgan would only reveal himself to the public as he reveals himself to his friends he could and would, without any sacrifice of self-respect, become one of the most popular financiers in the country. His intimates find him large-hearted, red-blooded, democratic, considerate, jovial; in short, a humane, likeable, companionable fellow.

"I would trust Jack Morgan behind my back as far as any man living," was the ringing declaration of a prominent banker not of the Morgan group. "I don't think any amount of money which would be a small consideration or any amount of prestige, which would be a strong consideration, would for a moment tempt him to do what he knew would be unfair or unjust. He may not always analyze things exactly right; in the very nature of things he could not be expected to have a broad social view, for his environment has always been that of the most powerful financiers, friends of his own and of his father. He is inexperienced in many matters, but he lives up to the highest standard he knows."

Cynics declared, after the 1907 panic, that there was only one man in Wall Street that all Wall Street felt could be trusted—that out of all the thousands of financial people in New York there was only one accepted as honest, the original J. P. Morgan. The truth is that the late Mr. Morgan was not the most brilliant banker in America or the best judge of financial propositions; his analyses and conclusions often were faulty. What enabled him to become the financial Moses of the New World? Simply and solely his unimpeachable trustworthiness, his innate fairness, his inability to take advantage of anyone. Now the son has inherited these same virtues. The strict maintenance of the reputation of the house of Morgan is with him a fetich. Rather than lower it one iota, young Mr. Morgan would wipe the dust of the financial district off his feet for ever.

The Banking Line.

Banking was in Jack Morgan's blood when he was born, in New York, on September 7th, 1867. "Morgan" was even then a name known the world over. Junius Spencer Morgan, the grandfather, comparatively early earned the reputation of being "the best business man in Boston," and was selected by George Peabody, the foremost American international banker of that day, as a partner. He went to London, the Peabody headquarters. When Mr. Peabody died ten years later, the firm of J. S. Morgan & Co. was organized. Its head, who was a mathematical genius, soon became recognized as a financial giant. He startled conservative Europe by undertaking, in 1870, to float a loan of $50,000,000 for the provisional French Government, then crumbling to defeat, its Emperor already a prisoner of the Germans. Junius Morgan boldly formed a "syndicate," then a novelty to Anglo-Saxon finance, handled the daring transaction with masterly skill and cleaned up several millions of profit in eighteen months.

Meanwhile a second Morgan, John Pierpont, after beginning his career with Mr. Peabody's New York correspondents, had become the Peabody representative and later formed the firm of Dabney, Morgan & Co. In 1871 he joined the powerful Drexels of Philadelphia, the house then becoming known as Drexel, Morgan & Co. Its chief rival was Jay Cook & Co., and when that meteoric firm failed in 1873, the Drexel-Morgan house, along with August Belmont, the Rothschilds' representative, became the Government's mainstay in underwriting and refunding its enormous war debts—using the syndicate as its chief instrument. In this work J. P. Morgan played an active part, but his greatest achievements were to come later, in organizing and financing railroad and industrial corporations more colossal than any the world had known.

The third Morgan J. P., Jr., emerged from Harvard with an A. B. degree in 1889. By that time his father was the recognized leader of American finance. After a sound preliminary training, under paternal tuition, at the New York office of Drexel, Morgan & Co., the younger Morgan was sent to London to broaden his vision and his experience. While in London, where he kept in close touch with the Paris branch of the firm, he developed markedly as a banker. He remained there until 1905. Long before then—in 1894, in fact—he had become a partner of J. P. Morgan & Co., "Drexel" having been dropped from the firm name.

Curiously, the first notable work undertaken by J. P. the Second, within eighteen months of his father's death, was for his English and French friends.

When the Allies, thrown into confusion by the tragic events in the first stages of the war, found themselves in desperate need of hundreds of millions' worth of military supplies, they turned to J. P. Morgan & Co. as the only concern capable of enabling them to cope with the situation. The firm was appointed fiscal agents of both Britain and France and was commissioned to purchase all war materials required here, its remuneration being one per cent. on everything bought and all expenses paid.

No other banking house in history ever conducted operations of a magnitude equal to those undertaken and successfully carried through by J. P. Morgan & Co. during the last three years. Operations not confined to banking, nor raising for Europe loans approximating $1,500,000,000, nor importing almost $1,000,000,000 in gold metal, nor marketing for the Allies untold millions of American securities, nor to keeping the foreign exchanges on a workable basis, but operations entirely outside the environs of bankers, the placing of contracts far exceeding two billion dollars' worth of merchandise of every conceivable description, the passing upon the responsibility and ability of scores if not hundreds of concerns to turn out satisfactory munitions, the financing or extension of numerous enterprises designed to meet the dire needs of half-a-dozen European nations in the throes of a life-or-death struggle.

PERSONAL

HECTOR M. FORBES, Assistant Secretary at the head office of the Toronto General Trusts Corporation for some years, has taken over the managership of the British Columbia branch office, a position made vacant by the death of Mr. Frank M. Pratt, who opened the branch at Vancouver on January 1, 1914. The management and staff of the corporation showed their esteem and high regard for Mr. Forbes by presenting him with two very handsome leather library chairs.

WILLIAM RUTHERFORD, who was elected to the position of chairman of the Montreal branch of the Canadian Manufacturers' Association this week, was vice-chairman this past year. Mr. Rutherford is secretary-treasurer of Wm. Rutherford & Sons, lumber dealers, and is an ex-mayor of Westmount. At the present time he is chairman of the Westmount School Commission, and is also president of the Montreal Mechanics' Institute, as well as vice-chairman of the Montreal Technical schools.

CHARLES R. HOSMER, president of Canadian Cottons, Limited, who submits a record-breaking statement of business and earnings for that concern, is one of the best known of the Montreal capitalists and he has a wide connection in industrial and financial concerns. In addition to being the chief director of Canadian Cottons he is president of the Ogilvie Flour Mills Co., vice-president of the Edwardsburg Starch Company and the Commercial Cable Company, a director of the Bank of Montreal, Montreal Light, Heat and Power Company, Laurentide Paper Company, Acadia Coal Company, Royal Trust Company, Canada Paper Company, West Kootenay Power and Light Company, Kaministiquia Power Company, Sun Life Assurance Company, Canadian Pacific Railway Company and Dominion Express Company. He is a man of pleasing personality and his friends are many in Montreal's financial and commercial district.

LORD COWDRAY, who is head of the British Aviation Board, is one of the biggest owners of Mexican lands. He is held up by C. W. Barron of the Boston *News Bureau*, as an example of those who are making sacrifice in their international patriotism. Mr. Barron says: "Cowdray told me in London two years ago that his income tax had been raised from 12½% to 25%; he was sure it was going to 50%, and all he would ask during the war was bread and butter. Everything else the government might take; and the governmen was not then defending England, it was fighting for Belgium. At Tampico last month I asked Lord Cowdray's manager if he had heard anything from Cowdray and his answer was, 'Not a word; his whole time is given to the home government. Cowdray doesn't care a snap what the country in its defence or in defence of its neighbors or western civilization does with his income; but I don't think you would have much respect for a government that would propose to leave him at the end of the war without the tools of his trade.'"

CURRENT OPINION

THE UNITED STATES' SETTLER AND THE NORTHWEST.

Canadian Gazette, London, Eng.

Moreton Frewen, the father of the 200,000,000-acre Empire farm scheme, spoke of the 20,000,000 acres granted recently to United States settlers in the Canadian Northwest. These lands would in a few years be of the value of £20 an acre, and, said Mr. Moreton Frewen:

> This means that the Government of Canada gives the United States emigrants property of the potential value of 400,000,000 sterling. This enormous leakage we want to stop.

Under the Empire farm scheme this and other millions would go to the British treasury to pay off the war debt. But who makes the land obtained for next to nothing worth £20 an acre? Surely the man who farms it—in this case the immigrant from the United States—and if this prize is not before his eyes he will not come to the Canadian West. He certainly will not sweat away twenty years of his life for the benefit of the British taxpayer; nor, for that matter, will the British emigrant. Let all our efforts be concentrated upon increased production here and overseas, and let us get state credit, if we can, to assist the process, but the hope of the Empire lies with the happy, prosperous home-maker who knows that he is working out his own salvation.

THE WAR TAXES.

Montreal Gazette.

Many who believe that the Canadian profits tax will fall very unevenly on Canadian business, hitting one company very hard because it has been efficient and made the most of its opportunities, and leaving the other, badly financed and badly managed, scot-free, consider that as a matter of protection there may be considerable modification in business policies.

The company that sees a profitable way of re-investing surplus earnings in plant extension will necessarily hesitate now. If the investment should prove bad the company must stand the loss. If it should be successful, a considerable part of the profit must be surrendered. All the risk is with the company, for gains which some may not consider worth the while. The same money invested in Canadian war loans, for instance, will not only be safe, but the income which the company would receive from its coupons would be exempt from taxation.

The present conditions of mind of Canadian business towards the taxes may be necessary, although that is doubted by the Street. Immediately it seems to have had the effect of deadening initiative and if continued could have unfortunate results on the much-needed development of the country's natural resources.

Criticism of the tax proposals on the Street, it can be fairly said, is not proceeding on selfish grounds. That the motive is selfish would be the first charge laid against an objector. But there are individuals of wealth and corporations of large business escaping the incidence of the tax altogether, or feeling it to a very slight extent, who freely admit inequalities in the burden and dislike them. Suggestions of a flat tax on gross earnings or net earnings have been advanced as alternatives that would yield larger revenue and distribute the burden with fairness. A one or two per cent. tax on the entire profits of every business after its working expenses had been deducted, it is argued, would impose hardship on no one, and at the same time bring in more than any surtax on the present lines.

WHAT ENTRY OF UNITED STATES MEANS TO CANADA

Wealthiest Nation of the World is Now a Partner and Comrade in War—and in Peace.

Written for THE FINANCIAL POST by AGNES C. LAUT.

New York.—Three years ago, when in the *Saturday Evening Post*, of Philadelphia, I predicted that Canada would spend a billion on the war—and spend it well as an investment—financiers threw up their hands in protest. A man, who is now conferring with the British Commissioners in Washington, gave me a pitying look that called me a plain fool. And yet Canada is well past the mark of half a billion. Before the war is over, she will have spent her billion, or at the rate of $142 for every man, woman, and child in the Dominion.

When at Confederation Sir John A. Macdonald planned railroads to belt the Dominion, men also threw up their hands in horror. Yet the spendings have brought back to Canada many times a hundred fold. The money was spent on railroads after Confederation because it had to be spent to save Western Canada to the Empire. The money had to be spent in the present war to save freedom for the world; and Canada plunged in, whether she could afford to, or not.

I do not refer to increased exports to the Allies or to munition orders as her reward; though they are likely to repay her spendings before 1917 passes. I refer to the doors that her entry on the war have opened for her to two big world arenas—one in Europe, one in the United States.

It has been said it was not the railroads that peopled the Western States. It was the Civil War. The boys from New England fought side by side with the boys from Minnesota, and for the first time learned of the free land, the rich soil and the boundless opportunities in the West.

Immigrants by Thousands

Canadian soldiers have fought side by side with men from every crowded country in the world. Even German prisoners have learned of a land, where men do not need to fight for the right to exist, nor spend rivers of blood to wrest land from someone else. The Central Powers in Europe are taxed now to the point of confiscation. The other powers must pay taxes for the war for a century. At least fifteen million men will return to homes devastated beyond recognition, dyed in blood and unforgettable tragedies. Some of the tragedies — especially in Poland and France—can never be lived down or forgotten. The people have to start life anew. It is no mere guess into the future, but almost a record of the past to predict they will come to Canada in thousands, in hundreds of thousands, to begin life anew as Eastern Americans trekked West to re-begin life after the Civil War.

The Empire Granary

The wheat bought by the Imperial Government translates into magical reality the old hope of the West becoming the granary of the Empire. The Canadian West will have become the permanent granary of Europe after the war. This is no flamboyant boast. It does not imply that Uncle Sam is going out of the wheat business; but present conditions do prove that Uncle Sam's grain farmers have all they can do to feed their own country. This country has raised as much as a billion bushels of grain; but on the average it raises only 700 million bushels. Now a pound of cereal a day implies 300 loaves a year, or five bushels of wheat, or 500,000,000 bushels a year for home food. There are needed for seed another 100,000,000 bushels; but this country's population increased 20,000,000 in ten years. By 1927, Uncle Sam will need for home food, 600,000,000 bushels, and for seed 150,000,000 bushels—or, in a word, all his own crop—leaving to Canada, India, Argentina, and Russia, the duty of making up Europe's yearly need of half a billion bushels. The war has literally brought Europe to Canada's grain fields.

A New Financial Ally

But even more significant is co-operation in the war with the United States. No one will now gainsay the fact that the United States must be the world's banker for the next ten years. There is more gold imported in this country in one year than all the world produces in a year. There is more gold packed away in the vaults of this country than all the world produces in eight years. And Canada is going to fight side by side with a partner, a comrade, with her rich neighbor in the great battle for freedom. I ask you after this war, do you think Americans are going to trade more with Canada, or with Germany? Do you think the flux of population is going to be back and forward with Germany—as it has been since 1848—or back and forward with Canada? When the first American influx of people and money moved to the Canadian Northwest, there was a boom that intoxicated Canada. We say, "Trade follows the Flag." Well—for the first time in a century and a half, the two flags are entwined and unfurled from the same flag staff. When the Union Jack came carried down Fifth Avenue in the Wake-America Parade, fronted by the Scotch Kilties, all New York shouted itself hoarse. They shouted till tears came in their eyes. I did not think of Profit and Loss Account, then; but I have since, when I hear the warm tone in which Americans speak of the Canadian valor in Europe. We thought we had an American-made Boom in Canada five years ago. I know my Canadian West; and as my ancestors peopled one county in New York State, I think I know my American East; and if I were a gambler, I should not be afraid to wager my future on an American-made Boom in Canada after the war, compared to which our former booms may seem a mere zephyr. American gold, American industry, American people—will turn to us in floods.

It is hard for a Canadian—not constantly among the Americans—to understand the enthusiasm for them that prevails throughout the nation.

EFFICIENT SERVICE WANTED BY WEST

Some Doubts Are Being Expressed as to Public Ownership of Railways in This Connection.

Some of the Western newspapers are displaying a broader view of the railway problem as brought before the public by the report of the Royal Commission, than has the average Eastern publication. This would appear to be because in recent years Western opinion has shown a tendency to move out of the rut of party bias. The West realizes that for the economic good of the country the factor of paramount importance is the efficiency of the service provided whether under public or private ownership. For this reason there is a disposition shown to think twice before placing the railways in the hands of the Government with opportunities for political interference in operation. The Winnipeg Free Press has said that a railway owned entirely by the people will always be subject to a considerable measure of political manipulation, and the Saskatoon Phoenix points out that the majority report overlooks the vital point of deciding between nationalization on the ground of principle and nationalization on the ground of expediency.

Distrusts Public Ownership.

Winnipeg *Free Press*: The people of Canada had better look this problem squarely in the face. In our present state of political development, a railway owned entirely by the people will always be subject to a considerable measure of political manipulation. If, therefore, they desire Government ownership of railways—and there are strong indications of powerful public sentiment favorable to this solution of our railway difficulties—they must realize that they will have to face the certainty that their property will not be administered with a sole view to the public good, but will be subject to constant manipulation in the interests of the political party which is for the time being in control of the affairs of the Dominion.

The Pros and Cons.

Saskatoon *Phoenix*: If we are to have nationalization of the railways there is no valid reason for leaving out the C.P.R., except upon the grounds that the service it gives would not be continued under Governmental operation. Nationalization seems to be favored by the majority of the Commission simply upon grounds of expediency, and not upon the principle that public utilities should be publicly owned and operated. That would explain why the C.P.R. was excluded, but if upon these grounds it could be shown that the other railways could under the conditions proposed by Mr. Smith give equal service and meet their obligations, the whole case of the Commission for nationalization goes overboard. As between nationalization on the ground of principle and nationalization on the ground of expediency the majority of Commissioners express no opinion, and yet that is the vital question if nationalization should be considered at all. The C.P.R. is very heavily indebted to the people of Canada, but the Commission seems to have regarded the money as well invested. In any case, a sound public policy and a just policy demands that the problem be faced as a whole, and settled once and for all as a whole.

Profit Sharing With Railways.

Winnipeg *Telegram*: In connection with Canada's railway problem, the minority report made by Mr. A. H. Smith, contains some clauses which he has thrown in incidentally as a sort of afterthought, but which are, nevertheless, deserving of careful attention. While he strongly favors leaving the railways under private ownership, he at the same time offers an alternative solution.

If the Government decides to hold these railway properties, or any considerable part of them, Mr. Smith suggests the formation of private companies to take over their operation. He is of opinion that even where a road does not earn its fixed charges, the Government would profit in the long run by by making the terms of an operating lease sufficiently attractive to induce private enterprise to undertake its management. The terms of such leases would naturally depend upon the extent of the property and the prospect of earnings, but he thinks they could be so drawn as to prove attractive to private capital, while at the same time relieving the Government of the expense and embarrassment involved in Government operation.

This would be, in essence, a profit-sharing plan. The Government would take over the railways—after settling with the present nominal owners—and would provide the funds needed to put them into proper shape. Then they would be leased to a company which would be asked to put up a substantial sum as an evidence of good faith, and to be used for the purchase of equipment. Interest on the company's investment would presumably be guaranteed and be a first charge on the earnings.

After paying the company a fair interest, and after meeting the operating and maintenance charges, any further revenue would be divided in agreed proportions. Whatever share the Government might receive would be applied towards paying interest on the railway bonds and would to this extent relieve the Dominion treasury.

Would this arrangement be a good solution of the difficulty? It's worth thinking about. The company, with a long-term lease, would be as free from political interference as any other private corporation. The freight and passenger rates could not be made exorbitant, as they would be subject to control by the Railway Commission. Any net loss that might be incurred, and a net loss may be regarded as a practical certainty for the first few years, would have to be met by the Government.

On the other hand, when the profitable period arrived, as it would after a while, these profits would have to be shared with the company. Is this too high a price to pay for the advantage of strictly non-political operation? Or can a system of public ownership and control be devised from which politics would be excluded?

HANDLING OF PUBLIC MONEY AT OTTAWA

In Theory Parliament Controls Expenditures, But in Actual Practice the Government Does So.

The following article regarding the anomalies of the system of receiving, expending, accounting, and auditing the public moneys of the Dominion, has been specially prepared for the FINANCIAL POST by a contributor in a position to deal intimately with the subject.

In theory, Parliament controls the expenditure of the public moneys, voted, granted, and appropriated to the public service, but in practice the Government exercises absolute control. It happens thusly:—

The money is voted, granted, and appropriated by Parliament. It is expended by the different departments. The expenditure is audited by the Auditor-General, who, we will say, objects to the expenditure or some part thereof already expended, on some of the many grounds that objection may properly be taken. The department in question refuses to abide by the decision of the Auditor-General and a case is prepared and submitted to the Treasury Board, who, we will say, overrules the objection taken by the Auditor, and the expenditure is authorized and passed. Now this appellate tribunal that finally overrules the objection of the Auditor-General, arbitrarily, it may be, and from which there is no appeal, is constituted of a committee of the Cabinet, and its decision is the will of the party in power, the Government, and Parliament has nothing to do with it except receive the Auditor-General's report, or that of the Finance Minister thereon, and exercise its prerogative of criticism if so inclined.

Control of the expenditure of the public moneys, to the extent that it is control, is secured by the authority conferred on the Auditor-General to refuse the passage of an application for a credit, when instructions as to the classes of payment to be made under the credit have theretofore been disregarded (subject in this case also to overruling by the Treasury Board).

The subject may be briefly dealt with under the subheadings, Revenue and Expenditure.

Revenue.

By statute, all public moneys from what ever source of revenue derived shall be paid into the Consolidated Revenue Fund of Canada to the credit of the account of the Minister of Finance and Receiver-General.

All revenue from whatever source derived is deposited in and forms the Consolidated Revenue Fund of Canada. Examples of sources contributing to this fund are Customs duties, Inland Revenue receipts, Post Office receipts, fees payable in connection with any proceedings before Parliament, Bills, Private Acts, etc.

These moneys are paid into different banks as convenience dictates, determined by the Minister of Finance, and to the credit of an account called the Account of the Minister of Finance and Receiver-General. Proper books of account are kept by all officials handling such moneys.

Expenditure.

The theory of putting into circulation any sum of public money is by an Appropriation Act of Parliament, whereby sums of money are granted to His Majesty to defray expenses for any specified public service. The amounts and the specified services relating thereto contained in these Appropriation Acts is based upon the yearly estimates submitted by the heads of the respective departments of Government and the Auditor-General.

Money having thus been appropriated and voted, the Governor-General under his sign manual, countersigned by a member of the Treasury Board, authorizes and requires the Minister of Finance to issue out of the moneys in his hands, i.e., the Consolidated Revenue Fund Account, in the name of the Minister of Finance and Receiver-General, the sum required from time to time to defray such expenses, not exceeding the amount of the sum voted or granted. Then the Minister of Finance on the application of the Auditor-General, causes credits to be issued in favor of the different departments of the amounts appropriated to them respectively. These credits are then established at the various banks and drawn against by department cheques to meet expenses.

Fixed amounts having thus been placed in the banks to the credit of the respective departments to be drawn against by department cheques, the Audit Act apparently and in fact ineffectually, provides that, "no cheque for public money shall issue except upon the certificate of the Auditor-General that there is Parliamentary authority for the expenditure."

Audit After Payment.

The system in effect does not establish an audit by the Auditor-General before payment. It is a system of audit before payment by the accountant of each respective department, the deputy head of which is responsible for the correctness thereof, and an audit after payment by the Auditor-General.

Then, on or before the 31st day of June in every year, a statement of the year's accounts up to the 31st of March then last, is prepared by each department and sent to the Auditor-General for final audit, which final audit is reported to Parliament.

Apart from misappropriation of funds by defalcations of employees, a very rare thing and one it is admitted that no audit either before or after payment can prevent, errors of two descriptions may occur in the expenditure of the departments of the Government.

The first of these is payments not supported by the vouchers required by the Consolidated Revenue and Audit Act, and second, money expended applied to purposes other than for which the grant was intended to provide.

When an error of the first description is detected by the Auditor-General, the department responsible for the error is notified thereof, and to obtain and furnish the proper vouchers. When the error is one of the second description the department responsible is notified and instructed to transfer the amount paid in error from the service grant properly chargeable therewith to the service grant so improperly charged.

When improper payments made in respect of work performed or material supplied by any person in connection with any part of the public service of Canada are detected by the Auditor-General before the final payment is made to the contractor, subsidized railway or steamship company, or other party, the Auditor-General thereupon notifies the department responsible for such improper payments, together with his objections and refusal to certify thereto. If it is in respect to a contract that has been completed and all moneys paid thereunder and no security deposit remains in the hands of the Government, the Auditor-General directs the department to obtain a refund of the amount of said improper payments. If it is a case where sufficient moneys remain in the hands of the Government, either an unpaid balance on the contract or a security deposit, the Auditor-General instructs the head of the department that he refuses to pass any further payments until his objection is sustained or overruled.

There is scarcely such a thing as having a payment to deal with which does not belong to a class already dealt with over and over again and on which therefore a man of any experience in the accountancy branch of the department is unable to point out the vouchers and certificates required to show that the claim is one which is of a character which should be recognized as valid or the reverse against the Government, and to the allowed amount.

Rulings of the Auditor-General not acquiesced in by the department concerned are submitted to the Treasury Board, who either sustain or overrule such, and these Treasury Board decisions are final and not appealable.

Letter To The Editor

AN ECONOMIC ISSUE.

Quebec, May 9th, 1917

THE FINANCIAL POST, Toronto, Ont.—I have been very much interested in your articles in the last three weekly issues of your paper, in connection with "Drinking in the Army."

The British Weekly, St. Paul's House, London, is making a strenuous effort to secure prohibition in England as you may be aware, and if not asking too much, it would I am sure, be of considerable help to the interests they are supporting, if you would send copies of the three issues referred to, to the British Weekly with the articles marked.

There is absolutely nothing more puerile than the arguments of the liquor interests and their friends against prohibition, not only from a moral and physical standpoint, but especially from the standpoint of economics. While the situation in Canada is better than in England, there is no possible excuse for our wasting food products, money, labor and transportation facilities on an absolutely non-essential like liquor, which, in addition to being perfectly needless, is so terribly harmful and poisonous, and it is refreshing to see a paper of the influence of yours speaking out in a manly definite way on this subject.

The feeling in this Province is strongly in favor of prohibition, and the evident hesitation of both the Governments and the newspapers to deal with it on its merits, is one of the mysteries of democratic institution.

Yours truly, G. B. R.

THE MOTOR BUS IN LONDON.

London, 26 April, 1917

The Editor, FINANCIAL POST.—In the issue of March 24th there is a letter from Mr. P. A. Crump, Brockton Avenue, Riverside, Cal., dealing with the question of motor traction.

The letter concludes by stating that the electric railway system is regarded even in London (Eng.) as antiquated and out of date.

As a matter of fact London has always been a long way ahead of any other part of the world in this connection and it is certain, apart from tubes, subways, etc., the motor bus system of transportation is much more efficient than the electric car.

But for the war it would have been possible to have got very nearly all over England by motor bus and it will not be long after the war before this is possible.

Yours truly,
LONDON.

The Greenshields Review

A brief summary of the financial outlook that has been found valuable to its readers.

Sent monthly, without obligation to business men and investors.

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John St. Montreal
Central Chambers, Ottawa

CENSORING FINANCIAL ADVERTISING.

Printer's Ink.

The Stock Exchange is indisputably right in taking every precaution to protect the public, as well as itself, against anything that might possibly be construed as quack finance. But many good business men are going to wonder, as a result of its recently reported "disapproval" of some co-operative advertising by certain of its members, if it isn't over-cautious in its methods of censorship.

A broker's relations with his clients are necessarily on a par with those between a physician and his patients. As stated by one in authority, there should be nothing in the nature of a dragnet to catch those who have no business on the Street. Advertising that acts the candle to the moth is apt to boomerang, to the prejudice of stock broking as a profession.

At the same time, there is a possibility that the Stock Exchange is too reticent as to its functions and its public relations. A certain air of Bourbon aloofness, of hands off, of financial hauteur surrounds it in the public mind, that easily suggests, in an age of democracy, a financial autocracy. As remarked by one of its own governors, "the securities which pass through the hands of its members represent a very considerable part of America's material wealth." Yet the average American knows little or nothing of the Exchange, its functions, its workings, its ideals, etc. When certain of its own members chafe under its conservative restraint, there is little or no explanation of this restraint. The disposition is to regard such matters as entirely between themselves. When such silence prevails, is there any question as to the source of a certain public suspicion towards the mysteries of finance?

To be sure, since the committee's action, as reported in Printer's Ink of last week, it has approved of one of six pieces of copy submitted by five of the original six members to the campaign, which now continues as planned. It is understood that the committee does not object to co-operation, to advertising the partial-payment plan, or to the size of the advertisement. The new caption, "Stocks and Bonds on the Partial-Payment Plan," is certainly innocuous from with the original, "Partial-Payment Pro- the Exchange's viewpoint as compared gress."

The reported sentiment of the London Stock Exchange in favor of lifting its rigid ban on advertising in any form is significant in the light of events. It certainly indicates influences of progress. According to the report, the British organization favors collective, rather than individual advertising. There might be a cue for the New York Stock Exchange in this. A comprehensive educational campaign, explaining the workings of the Exchange, its less understood side, etc., should go far toward clearing up in the public mind some of the mysteries of our "financial oligarchy." It should tend to put the relations of finance and the great public that goes to support it in one way or another, on a better basis of understanding. On such a ground, with the public so enlightened, much of its so-called autocratic vigilance work might prove unnecessary. The public would then understand.

A GUARANTEED INVESTMENT
5 PER CENT. DEBENTURES

This Company's Debentures are a safe and exceptional security, being a first charge on the assets and undertaking of the Company.

Mortgages and other authorized securities are deposited with The Imperial Trusts Company of Canada, under a Trust Deed, in trust for the Debenture Holders to the amount of $125.00 for each $100.00 worth of Debentures issued.

Debentures are issued in sums of $100.00 upwards, and for periods up to ten years. Interest coupons attached, payable half-yearly.

Write or phone for full information.

The Colonial Investment and Loan Company

Capital Authorized	$5,000,000.00
Capital Paid Up	$2,453,995.83
Assets	$3,572,985.91

15 Richmond Street West, Toronto

The Investment of Small Amounts

In addition to the usual denominations, we have available a good supply of high-grade Investment Bonds, varying in amount from two or three hundred dollars up to $1,000.

Prices are attractive. Write for List.

A. E. AMES & CO.

Investment Securities — Union Bank Bldg., 53 King St. W. TORONTO Canada — Established 1889

MONTREAL NEW YORK

WE OFFER

CANADIAN

GOVERNMENT | PROVINCIAL
CITY | TOWN
COUNTY | TOWNSHIP

BONDS

TO YIELD FROM 5¼% TO 6%

LONDON
NEW YORK
TORONTO

Aemilius Jarvis & Co.
(Members Toronto Stock Exchange)
JARVIS BUILDING TORONTO, ONT.

A. H. MARTENS & COMPANY
(Members Toronto Stock Exchange)
Dealers in

Government, Municipal and Corporation Bonds

Write for list with full particulars.

ROYAL BANK BUILDING, TORONTO, CANADA

61 Broadway New York, N.Y. — Dime Bank Bldg. Detroit, Mich. — Harris Trust Bldg. Chicago, Ill.

Business Founded in 1795

AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)

BANK NOTES, BONDS, STOCK CERTIFICATES, CHEQUES AND OTHER MONETARY DOCUMENTS.

SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES

HEAD OFFICE and WORKS
OTTAWA

Branches:
TORONTO MONTREAL WINNIPEG

Oil in the Arctic

CANADA possesses enough petroleum to last the world for a thousand years. This oil is found on the Mackenzie River—in the Arctic region. The discovery was made two years ago by Dr. T. O. Bosworth, who reported the story of his "find" to the Dominion Government, but it is only now that the people of Canada have given them the story of a national asset of momentous importance. The tar sands north of Athabasca and Great Slave Lake become oil fields of incalculable value near the mouth of the Mackenzie. Read this story, told by Dr. Bosworth himself, of Canada's and the Empire's exhaustless oil fields in

MacLean's Magazine *for* June

THEN have regard for the following highly interesting special articles and features of the June MACLEAN'S, always keeping in mind that they are by Canadians for Canadians—and so belong by right to MACLEAN'S MAGAZINE, whose elect purpose is to advance the development of Canadian writers and Canadian literature, and to make the Canadian people—the best of them—better informed concerning their own land and their distinguished sons and daughters.

Balfour at Washington
and the war preparations of the United States, by AGNES C. LAUT. An interpretation of Balfour's mission to America as it relates to the Allies' cause and to the unifying of the great Anglo-Saxon peoples into an organized power for the conservation and development of human liberty and the rights of the common people.

William T. Dewart
A Character Sketch
The romantic and inspiring story of a Canadian—a member of a well-known Ontario family—who is now general manager of the Munsey publications in New York. The story is exceedingly well told by a remarkable man—Erman J. Ridgeway, himself a publisher of brilliant record.

Putting Pep into Parliament
The idea is that the work and proceedings of Parliament should be simplified and speeded up. Parliament is becoming more and more of a business institution and less and less a place for oratory. The work of Canada is too important and too vast to permit of elocution and casuistry and wire-pulling. H. F. GADSBY, a writer with any amount of "pep" himself, is the man who pleads that Pep should be put into Parliament.

Sunshine in Mariposa
By Stephen Leacock
The second instalment of his play whose setting and incidents are found in Ontario, Leacock's birthplace. Rich humor, and revealing Canada's premier humorous writer in a new phase of his astounding versatility.

James B. Hendryx
continues "The Gun Brand." This is a romance of the Canadian Northland. An adventurous and ambitious girl teaches school in Athabasca, and in her journeyings thither and in her life and work later on, there are incidents and experiences and developments laden with thrills. A fine story which can be satisfactorily begun in the June MACLEAN'S.

Sir Gilbert Parker
contributes "At Lake O'Calling." This is a Canadian story—about the building of a railroad for Empire business. A romantic tangle gives the story zest and shows Sir Gilbert's art finely. Probably his best story ever appearing in MACLEAN'S MAGAZINE.

A. C. Allenson
contributes "June Comes Back." A very beautiful June bride story—about June Summers, a charming young woman.

Arthur Beverly Baxter
contributes "The Man Who Scoffed." A war story—and good war stories at this time have great appeal. We all want to know more about the life our glorious Canadian boys are living in these epochal days. Romance mingles itself with death and tragedy.

Hopkins Moorhouse
contributes "The Herald Angel." One of his fine Andy Doolin stories—a story of the days of the forty-niners with their lawlessness and enriching labors. A story of valor and primitive passions in freest exercise.

Records of Success
This is a feature department of MACLEAN'S given over to sketches of interesting Canadian men and women who have accomplished things.

Review of Reviews
A department tremendously well liked by every MACLEAN'S MAGAZINE reader, for here are found condensations of many articles of surpassing interest appearing in other magazines. So do readers keep themselves informed concerning what is best and most vital in current thought and life.

SO you have evidence of just how much worth-while MACLEAN'S MAGAZINE is—how admirably it is doing its chosen work and realizing its own purposes; which are to give the Canadian people a magazine dominantly and usefully Canadian, and which will satisfy from beginning to end.

At All News Stands—15c.

NEWS OF THE BOND MARKET

HOW WILL OUR CITIES FINANCE PRESSING NEEDS?

Weak State of Municipal Bond Market a Cause of Anxiety.

SOME SUGGESTIONS OFFERED

Means by Which, at a Pinch, Municipalities Could Secure Funds at More Reasonable Rates Suggested.

In view of prevailing conditions in the municipal bond market, the position of the larger Canadian cities, which are faced with the necessity of borrowing large sums of money this year, is not a pleasant one. Both Toronto and Montreal would ordinarily be in the market for several millions apiece and several of the Western cities must finance heavy tax arrears. So long as the banks will carry these cities, no immediate anxiety need be felt, but with a possible contraction in the money market, which will tend to force municipalities to fund their obligations, a serious situation may develop.

It is tolerably well established that if a Canadian city were to offer an issue of a million or more at the present time, the best price obtainable would mean a heavy discount on a five per cent. rate. And later in the year, when the Dominion Government enters the market again, an even lower price might be anticipated. How to get money then at a reasonable figure is a problem of serious import.

One suggestion, which was briefly referred to in last week's issue of the FINANCIAL POST, was that the Dominion Government should be approached with a view to undertaking the financing for the time being of the larger cities. That is to say, arrangements should be made whereby the Government would lend to the municipalities needed funds at a rate slightly in excess of what money costs the Dominion. The Government would thus be acting towards the cities in much the same way as the United States Government is acting towards the Allies, saving them the exorbitant interest rates that otherwise they would be called on to pay.

Another suggestion is that a direct appeal should be made by each city to its citizens, pointing out the impossibility of securing money except at very heavy interest rates and urging them to come to the rescue with subscriptions for bonds at an attractive rate of interest. If a well-managed advertising campaign were launched and the matter placed fairly and squarely before the citizens, there should be as much comparative success in the direct sale of a city issue as of an issue of Dominion war bonds.

Bond dealers might take exception to the foregoing plan, unless a liberal commission were offered, but there is no reason why the idea might not be modified to embrace a local sale through a syndicate of bond dealers, who, without assuming financial responsibility for the issue, would yet undertake to push its sale on a commission basis. Bond dealers are quite as much interested in maintaining prices as are city officials, and their advice and assistance in such emergencies as are developing are worth securing.

PLAN IS DROPPED.

Montreal Will Not Carry Through Its Big Conversion Scheme

Announcement is made by City Treasurer Arnoldi, of Montreal, that the project authorized by the Board of Control for the redemption of $30,000,000 of Montreal city debentures held in England has fallen through. With this redemption the city authorities counted upon reducing the city debt by about $5,000,000 by buying the debentures in England at about 12 per cent. under their ordinary value and reselling them in New York at a higher figure. This is now impossible, or at least not feasible, because of the entry of the United States into the war and as a consequence of changed financial conditions.

U. S. MUNICIPAL SLUMP.

An Example of How Values Are Falling Away.

The Bond Buyer illustrates the slump that has occurred in municipal bond prices in the United States by referring to last week's sale of $2,855,000 city of Boston, 4's and 4¼'s. No city in the country borrows more readily, nor at cheaper rates, than the New England metropolis, Boston, says the Bond Buyer. This city has the highest of credit ratings, since it is one of the largest and most substantial communities in the country and is situated in New England where there is always an absolutely self-sufficient demand for local state and municipal bonds. A few months ago, say prior to February 1, city of Boston issues were selling on a 3.70 per cent. basis. The sale of the new bonds on an average basis of 4.17 per cent., shows, then, the actual market depreciation of the highest type of American city bonds since the bond market suffered its recent reverse.

The day these bonds were re-offered to the public on a 4.10 per cent. basis for the long maturities, New York city 4½'s sold on the Exchange at 106, just 5 points below the high price of January, 1917.

Features of the Week

There has been no appreciable change in the situation since last week. Business continues very quiet, with practically all bond dealers complaining of the lack of orders. It would appear that the large institutional buyers have had their hands full with the war loan and are not in a position to take up any municipals, even at the attractive levels at which such issues are now being offered. Further than this, sentiment has been decidedly bearish and many buyers are holding back in anticipation of seeing prices recede still further. There are a few new issues coming on the market, but prices are so low that municipal officers are not much encouraged to attempt a flotation. In the United States the market has gone off appreciably There is less heard of the prospective success of the Liberty Loan and as the days pass the realization of stiff times ahead is making itself more strongly felt. Trading across the line in Canadians is practically at a standstill and quotations are generally lower.

SALES ARE FEW.

Not Many Municipalities Are Placing Issues at Present.

Seven offers were received by the town of Orillia for two issues of 6 per cent., 20-instalment bonds, aggregating $52,048.54. The bonds were awarded to R. C. Matthews & Co.

H. O'Hara & Co. have purchased two issues of Manitoba school district debentures—Meadowland, $1,000, and St. Adolphe, $1,000. Both bear interest at 7 per cent. and are repayable in 11 and 10 instalments respectively.

The Wentworth county patriotic issue of $72,000, 5 per cent., 20-instalment bonds was awarded to A. E. Ames & Co., who are offering the bonds at the attractive figure of 5.40 per cent.

The council of the municipality of West Vancouver on May 7 accepted the offer of the Canadian Financiers' Trust Company for an issue of $10,000, 20-year, 5½ per cent. bonds, at 75, allowing the accrued interest and commission to be arranged by the municipal clerk.

J. A. Thompson, Winnipeg, reports that his firm has purchased a $16,000 issue of 6 per cent., 20-year debentures of the Teulon, Man., School District.

C. H. Burgess & Co. were the successful bidders for the Niagara-on-the-Lake issue of $14,964, 5½ per cent. bonds, in various maturities.

TENDERS REJECTED.

Town of Welland Declines to Sell at Best Price Offered.

The town of Welland, after receiving nine offers for an issue of $40,000, 5½ per cent., 20-year, bonds, decided not to accept any of them. An effort will be made to sell some of the bonds locally, while the balance will be reserved for future sale. The highest tender was submitted by R. C. Matthews & Co., at 96.65, which is a small premium on a 5.80 per cent. rate. Under existing conditions, this must be regarded as a very fair price for Wellands, and some surprise is expressed that the town did not accept it. The tenders received were as follows:

R. C. Matthews & Co.	96.65
W. A. Mackenzie & Co.	96.08
Canada Bond Corporation	95.80
C. H. Burgess & Co.	95.07
A. E. Ames & Co.	94.78
Imperial Bank	94.28
Brent, Noxon & Co.	94.00
A. H. Martens & Co.	93.00
Dominion Securities	92.68

The tax rate of Sydney, N.S., has been boosted from 23.75 mills to 29.50 mills.

Amherstburg public school supporters will pay a tax rate of 41.7 mills. and separate school supporters, 43.3 mills this year.

UTILITIES OF BRANTFORD MAKE GOOD SHOWING

City Treasurer Bunnell, in an Address, Says They Are Flourishing.

FINANCES IN GOOD SHAPE

Citizens Meet Obligations Promptly, and the City's Credit, in Spite of Its Large Debt, is Sound.

It is not often that a municipal treasurer emerges from the seclusion of his office to explain to the public the position of the municipality's finances. Many treasurers, albeit excellent accountants, do not possess the necessary gifts to make a lucid explanation on the platform of the intricacies of their administration. Others do not see the need for it, believing that the elected representatives of the people are the ones to deal with these problems.

City Treasurer Bunnell, of Brantford, however, feels that he has a responsibility in this direction and, possessing not only executive ability, but facility in expressing himself, he has undertaken to take the public into his confidence. Last week, in an address before the Brantford Rotary Club, he not only gave an interesting account of the evolution of municipal government in Ontario, but presented an illuminating statement of the civic finances of Brantford.

Omitting the historical portion of his address, the chief points made were the success of Brantford's public utilities and the satisfactory condition of the public debt. Mr. Bunnell told of the establishment of the waterworks system by private enterprise and its subsequent acquisition by the municipality and referred to the progress of the hydro-electric and street railway systems.

Waterworks.

The cost of the works acquired was $63,252. The plant has been extended and improved and at the present time represents an investment to the city of $763,733. Included in this is 327 acres of land within the limits of the corporation, which could readily be disposed of for a sum approaching $200,000. The works have paid interest and sinking fund from the beginning, and in addition have turned into the treasury the magnificent sum of $176,893, which has been used in reduction of taxation. In addition to this the protection from fire has been of such a high class as to compel the insurance companies to place Brantford in Class "A" for insurance purposes, and to allow of our citizens and manufacturers and business men enjoying very low rates. The schedule of rates for consumers compares very favorably with that enjoyed elsewhere. In fact, the charge to small consumers—who are in the majority in Brantford—is the lowest so far as I know of any place.

The Hydro-Electric.

The hydro-electric was established in 1913, and the city now has an investment of upwards of $300,000. The installation of this system has resulted in improved lighting of the streets, and lower cost of lighting and power for the citizens. After paying interest and sinking fund upon the money invested and making a fair allowance for depreciation the last annual statement of the board showed a surplus of $15,440.

The Street Railway.

The street railway, which had long been a source of public disgust and annoyance, was taken over nearly three years ago. The lines have been extended and improved, and at the present time the city has an investment of $430,000. It is not necessary to say that the public appreciates the change, as this is shown by the constant increase in traffic, and it is fairly to be assumed that this latest venture in public ownership is now on a business basis, and self-sustaining.

The total amount of public debt incurred by the ownership of the three civic utilities is $1,167,190, incurring the raising of $79,300 annually for interest and sinking fund, but this large sum will no doubt be met from time to time by the earnings.

The debenture debt of Brantford at December 31, 1916, was $3,433,243, of which $1,167,190, as already noted, represents the portion incurred on account of public utilities. The sinking fund at the same date was $877,390. Notwithstanding the increased burden upon the citizens, demands are always well met.

An Ottawa despatch on Tuesday states that more than seven million dollars have already been invested in war savings certificates by the small investors of Canada. The total number of certificates disposed of since they were first issued last January is now slightly more than a hundred thousand. They are being sold at the rate of about one thousand per day, and the demand is keeping up steadily.

R. C. Matthews & Co.

Government and Municipal Bonds

C.P.R. BUILDING
TORONTO

Dominion of Canada 5% War Loan

Due Mar. 1st, 1937 at 95¼ and interest, yielding 5.40%

Delivered free of expense.

R. A. Daly & Co.
BANK OF NOVA SCOTIA BUILDING
TORONTO, ONT.

OFFICE MANAGER WANTED

Large manufacturing firm, whose business is not dependent on continuance of the war, is looking for a high-grade office manager, preferably thirty to forty years of age. Must be a good executive and disciplinarian, and capable of applying a broad accounting experience so as to efficiently prepare analytical statements covering the activities of the entire business. State full particulars of past experience. Applications strictly confidential.—Box 505 Financial Post.

DEBENTURES FOR SALE.

Town of Listowel, Ontario

TENDERS will be received by the undersigned up until May 24, for $20,000 Town of Listowel 5½ per cent. 30-instalment school debentures, and $15,000 Town of Listowel 5½ per cent. 15-instalment on a loan to a spinning mill.

W. E. BENNING,
Town Treasurer.

City of Sarnia

DEBENTURES

TENDERS will be received by the undersigned up to Friday, June 1st, at 1.00 o'clock p.m., for the purchase of debentures to the amount of $24,180 as per statement below, bearing interest at the rate of six per cent. per annum and payable in equal annual instalments of principal and interest combined, at the Treasurer's office, Sarnia, on December 31st, in each year.

Tenders will be received for the whole or for each lot separately, and accrued interest to date of delivery must be added to the amount of tender.

Delivery and payment to be made without any deduction at the Bank of Montreal, Sarnia.

The highest or any tender not necessarily accepted.

By-law No. 950 Local Improvement Sewers (20 debentures payable 1917-1936).	$16,310.00
By-law No. 951 Local Improvement Granolithic Sidewalks (10 debentures payable 1917-1926).	3,960.00
By-law No. 952 Local Improvement Curbs (10 debentures payable 1917-1926).	3,910.00
	$24,180.00

Coupons for interest payable annually.

JAMES WOODS,
Treasurer.

Town of Simcoe, Ontario

DEBENTURES FOR SALE

SEALED tenders will be received by the undersigned up to 2 o'clock p.m. on the 30th day of May, 1917, for the purchase of Debentures of the Town of Simcoe, known as Public School Debentures for $39,447.79, bearing interest at 5½%, repayable in equal annual instalments of principal and interest extending over a period of 29 years from 28th March, 1917, and Local Improvement Debentures for $4,840, bearing interest at 5½%, repayable in equal annual instalments of principal and interest extending over a period of 20 years from 30th December, A.D., 1916, the purchaser to pay accrued interest. The highest or any tender not necessarily accepted.

FRANK REID,
Town Treasurer

Simcoe, 14 May, 1917.

PROVINCE OF QUEBEC MUNICIPAL BONDS

Yielding 5½% to 6

Correspondence Solicited

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INVESTMENT BANKER

160 St. James Street Montreal

Telephones: Main 1260 and 1261

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C. H. CAHAN, K. C.

BARRISTER AND SOLICITOR.

Transportation Building, St. James St., MONTREAL.

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Barristers, Solicitors, Etc.

Canadian Bank of Commerce Building, Toronto

Cable Address: Blakes, Toronto.

General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

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Consult us before extending credit or if customers are delinquent.

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Address enquiries to

R. G. DUN & CO.

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Reserve - -	685,902.02
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ESTABLISHED 1855

FIELD OF MUNICIPAL FINANCE

TAX ARREARS IN EDMONTON OVER $5,000,000

The One Unsatisfactory Feature in an Otherwise Excellent Report.

LARGE EXPENSE REDUCTIONS

City Has Pared Down Its Controllable Expenditures by Over a Million Dollars in Two Years—Utilities on Better Basis.

Last week, A. N. Mouat, city comptroller of Edmonton, presented to the City Council his report for the year ending December 31, 1916. It shows that during the year the debenture debt was increased by the issue and sale of $2,883,000 debentures, of which $2,000,000 represented an issue of $2,000,000, two-year securities placed on the security of 1914-15 tax arrears. This brought the gross debenture debt up to $25,511,074. Deducting the public utility and local improvement debts and allowing for sinking fund investments, the net debenture debt is shown as $10,459,508.

Following the procedure of previous years, controllable expenditures have again been whittled down and a saving of $410,452 was effected, as compared with 1915. Adding this to the reduction made in 1915 over 1914, and there is shown a saving of well over a million dollars in two years—an achievement, which must certainly be gratifying to the taxpayers of the Alberta capital. It is indeed doubtful whether any city government in Canada can exhibit similar economies.

Revenues.

The revenue for the year is shown as amounting to $2,586,276, which compares with $2,663,351 in 1915, and $2,942,315 in 1914. Of this amount $2,235,126 represents the tax levy. Had all this sum been collected, there would have been a revenue surplus of $44,094. Unfortunately, Edmonton, like other Western cities, is suffering from its inability to collect taxes and of the levy for 1916, only $1,458,392 was collected during the year, leaving $1,300,393 in arrears.

The question of tax arrears is exercising the minds of the city officials seriously. There was at the first of the present year, five million and a quarter owing the city on this account. Three years ago the sum in arrears was only a little over one million dollars. What would have been the situation had not drastic economies been instituted in 1915 and continued in 1916, one hesitates to consider.

Alarming Arrears.

"It is apparent," comments Mr. Mouat, in his report, "unless more satisfactory collections may be anticipated in the immediate future that this item must inevitably become of still more alarming proportions."

Mr. Mouat estimates that, over and above all other available resources in sight, the following sums will be required to liquidate the city's indebtedness for the ensuing five years. The estimates are based on the prevalence of conditions similar to those at present existing:—

1917	$1,700,000
1918	3,200,000
1919	2,000,000
1920	1,400,000
1921	3,000,000

"Under such circumstances," states the comptroller, "the question of immediate financial requirements, and providing for these, is of supreme importance and I beg to recommend that early attention be given to this matter."

Edmonton's Utilities.

The electric light and power department shows a surplus for 1916 of $64,788, which compares with $35,760 in 1915, and $55,190 in 1914. The cost of operation has been reduced during the year by 36 per cent. and the percentage of operation cost to revenue has been reduced from 73 per cent. to 57½ per cent.

The street railway again showed a deficit, the amount being $119,597. As the deficit was $135,758 in 1915, and $159,777 in 1914, this utility is gradually improving its position. From $466,897 in 1914, the cost of operation has been reduced to $339,208 in 1916, or by 27 per cent., and the revenue has gone up from $520,322 to $524,737 between 1915 and 1916.

Improvement is reported in the affairs of the telephone department, and for the first time since 1912 there is returned a surplus over all charges, the profit for the year being $9,570, as against a loss of $37,242 in 1915. This improvement has been brought about by a reduction of $6,564 in cost of maintenance; $3,370 in operation, and $34,770 in depreciation, together with increased revenue of $2,108. The percentage of operation cost to revenue has been reduced between 1914 and 1916 from 24 per cent. to 18 per cent.

The waterworks department also shows a profit, a deficit of $5,749 in 1915 being turned into a surplus of $24,410 in 1916.

Tax Arrears.

The one unsatisfactory feature of an otherwise excellent report of business-like and efficient management, is the tax arrears situation. Were Edmonton able to collect her rates in larger volume as they fell due, the city would be in excellent shape. An attempt was made by Mayor Henry and last year's council to secure more stringent regulation for selling out delinquents, but the Legislature would not consent to reduce the period under which title would issue to purchasers of lands sold at tax sales to less than three years. In the opinion of the FINANCIAL POST, it is a question well worth considering whether this is not too long a term for any purchaser to wait for title. Such a condition militates against the success of a sale by removing the incentive of early possession. It is also debatable whether it would not be better to grant power to enforce all tax arrears up to within twelve months. By narrowing the limits of possible actions, the results would likely be much improved.

The Present Sale.

A sale of properties on which taxes up to 1913 are in arrears has been in progress for the past month or more, and according to a report sent to the FINANCIAL POST by F. Barnhouse, city treasurer, it has been the means to date of bringing in over $225,000. "It has stirred people up to an understanding that they must pay their taxes," states Mr. Barnhouse. "I expect to see the best results of the sale appearing in the tax collections of this fall and the sale that we will hold next spring."

HAMILTON.

Net Capital Surplus Shows Increase During the Past Year.

Hamilton's debenture debt at the end of 1916 was $10,189,870, an increase of $19,283 for the year. The city's total assets are valued at $19,542,660 and its total liabilities at $13,502,417, leaving a net capital surplus of $6,040,243, an increase of $241,837 over the surplus at the end of 1915.

These important facts are brought out in the city auditor's annual report, published last week. The report contains a statement showing an overdraft at the end of the year of over a million dollars, but against this amount must be placed several large special expenditures, for which debenture by-laws have since been passed. The current account overdraft will be in the neighborhood of $200,000.

The report shows that during the year debentures to the amount of $399,769 and interest coupons to the amount of $499,894 were redeemed and destroyed by fire. The city invested $100,000 of its sinking fund in Dominion war bonds.

Attention is drawn by the auditor to the fact that unpaid taxes at the beginning of this year amounted to $568,417.01, and in this connection the auditor again draws attention to the fact that the penalty on arrears is only five per cent., no matter how long they may be outstanding. He suggests that Hamilton follow Toronto's lead in securing special legislation which will allow it to charge a penalty of five or six per cent. per annum, he being of the opinion that this would result in more prompt payment by delinquents, as some of the taxes have been outstanding for a number of years, people finding it more profitable to keep the money in the bank until they are forced by the threatened sale of their property to pay up.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

May 30, Simcoe.—$39,447.79, 5½ per cent., 29-instalment public school debentures and $4,840, 5½ per cent., 20-instalment local improvement debentures. Frank Reid, town treasurer, Simcoe, Ont. (See fuller announcement, page 12).

May 21, Matheson.—$5,000, 5 per cent. bonds, guaranteed by the Province of Ontario. Frank E. Ginn, town clerk.

May 21, Alberta Schools.—$41,150 in three blocks of school district debentures—(1) Grand Prairie S.D., $12,000, 7 per cent., 20-year; (2) Barnwell Consolidated S.D., $20,000, 6½ per cent., 20-year and (3) Miscellaneous, $9,150, 7 per cent., 10-year. M. C. Elliott, manager, Debenture Branch, Department of Education, Edmonton.

May 24, Listowel.—$20,000, 5½ per cent., 30-instalment school debentures and $15,000, 5 per cent., 15-instalment loan debentures. W. E. Binning, Town Treasurer, Listowel (see announcement, page 12).

June 2, Peel County.—$50,000 5½ per cent., ten-year bonds of the County of Peel. D. Kirkwood, County Clerk, Brampton, Ont.

June 1, Sarnia.—$24,180, six per cent., local improvement debentures of which $16,310 mature in twenty; $3,960 in ten and $3,910 in 10 equal annual instalments. James Woods, Treasurer. (See particulars in advertisement on page 12).

June 1, Peterboro.—$99,742.82 5 per cent. 30-year bonds of the City of Peterboro. F. Adams, City Treasurer.

BY-LAWS PASSED OR DEFEATED.

Tillsonburg.—$10,000 by way of a loan to the Tillsonburg Foundry & Machine Co., defeated by the ratepayers, May 15.

Peterboro.—$9,742 to pay for sewers constructed last year under the local improvement act, passed by council, May 7.

Smith's Falls.—$1,200 for an addition to the collegiate institute building, passed by council, May 7.

Hespeler.—$14,000, to provide for extensions to the waterworks system, passed by the ratepayers, May 7.

New Liskeard.—$6,000 for the sinking of three new wells, passed by the council, May 7.

Wheatley, Ont.—$1,000 for school purposes, passed by village council, May 7.

Magog, P.Q.—$65,000 for paving, sewers and sidewalks, carried without a poll being asked for on May 10.

BY-LAWS TO BE VOTED ON.

May 31, Peterboro.—$280,000 for the purpose of building two bridges.

May 21, Davidson, Sask.—$8,000 for the construction of a new school and $4,500 for power house improvements.

May 21, Mitchell, Ont.—$10,000 for the purpose of macadamizing certain streets and $400 for the purchase of a site for a knitting factory for A Burritt & Co.

May 22, Trail, B.C.—$80,000 for extensions to the waterworks plant.

May 31, Brockville.—$5,000 to be raised by the issue of 5-year, 5 per cent. bonds for the purchase of Victoria Park.

Saskatoon.—$6,000 for the erection of a building at the exhibition. (No date set as yet for taking the vote).

May 30, East Kildonan, Man.—$15,000 for installing heating and plumbing and other improvements in schools.

May 25, Virden, Man.—$7,000 to pay town's share of cost of building a subway under the Canadian Pacific Railway tracks on Wellington St.

June 2, Biggar S.D., Sask.—$17,000 for the erection of an addition to the present school building.

May 28, Elmira, Ont.—$15,000 loan to the Elmira Machinery and Transmission Company; $2,500 release of mortgage on building to be occupied by the Phonola Co. of Canada.

May 25, Davidson, Sask.—$4,300 for the purchase of engine and electrical plant and for improvements to the same.

BY-LAWS REGISTERED.

Beamsville.—$3,000 for providing extra accommodation at the public school. Passed by council, April 23; registered, May 2.

BY-LAWS TO BE CONSIDERED.

Ontario County.—$10,000 for the payment of the cost of building certain bridges. Will be considered at special meeting of the county council on June 4.

BRITISH COLUMBIA.

A certificate was issued by the Municipal Department on May 8 to the municipality of Rossland approving by-law No. 181, under which $30,000, 6 per cent., 20-year school debentures will be issued.

SASKATCHEWAN.

The following is a list of debenture applications granted by the Local Government Board from April 30th, 1917, to May 4th, 1917:—

School Districts.—*Lloyd, $250; *Salttown, $2,000; Luce, $1,000; Faulkner, $1,200; *Dunbrody, $1,800.

*Being sold through the Local Government Board.

Rural Telephone Companies.—Alpha, $2,900; Willsmer, $6,700; Dafoe North, $4,700; Strongfield, $5,000; Lenora Lake, $11,000; Jansen, $8,400.

BOND SALES.

$50 Asbestos at 74; $2,000 Bell Telephone at 98; $600 Canada Bread at 92; $14,500 Can. Cement at 97; $4,000 Dom. Cotton at 98⅛; $2,000 Dom. Iron at 87; $5,000 Cedar Rapids at 89¼; $9,100 Montreal Trams. Debs. at 75; $5,000 Ogilvie Flour, Series B, at 102⅝; $77,000 1st War Loan at 97 to 96⅝; $18,200 2nd War Loan at 96 to 95½; $509,800 3rd War Loan at 95⅝ to 94½.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place and purpose.	Purchaser.	Rate	Term	Amount	Price	Basis
May 4	Coal Creek S.D., Sask.	Kerr, Flemming & Co., Regina	....	....	$1,800	....	....
" 4	Middle Valley S. D., Sask.	Goldman & Co., Regina	....	....	1,800	....	....
" 4	Davin R. T. Co., Sask.	H. O'Hara & Co., Toronto	7%	15-ins.	2,400	....	....
" 4	Brownlee Faulkton R. T. Co., Sask.	Somerville & Olson, Regina	7%	15-ins.	13,000	....	....
" 4	Muenster R. T. Co., Sask.	O. L. McQuay, Regina	7%	15-ins.	10,500	....	....
" 4	Annaheim R. T. Co., Sask.	H. O'Hara & Co., Toronto	7%	15-ins.	11,000	....	....
" 4	Engelfeld, village, Sask.	W. L. McKinnon & Co., Regina	....	....	400	....	....
" 7	Orillia, town	R. C. Matthews & Co., Toronto	6%	20-ins.	52,048	....	....
" 7	Wentworth County, patriotic	A. E. Ames & Co., Toronto	5%	20-ins.	72,000	....	....
" 15	Niagara-on-the-lake	C. H. Burgess & Co.	5½%	various	14,964	....	....
" 15	Meadowland S.D., Man.	H. O'Hara & Co., Toronto	7%	11-ins.	1,000	....	....
" 15	St. Adolphe S.D., Man.	H. O'Hara & Co., Toronto	7%	10-ins.	1,000	....	....
" 7	West Vancouver, B.C.	Canadian Financiers' Trust Co.	5½%	20-yr.	10,000	....	....
" 15	Teulon S.D., Man.	J. A. Thompson, Winnipeg	6%	20-yr.	16,000	....	....

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President. Hon. H. B. Rainville

Managers E. A. Ouimet, F. Saint-Pierre

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Dry Goods Review (Monthly)	-	$2.00
Men's Wear Review (Monthly)	-	$1.00
Canadian Machinery (Weekly)	-	$3.00

THESE papers should be on file in every bank manager's office. They ought to be "tasted" as often as they appear. Thus the bank manager can keep himself in much greater sympathy with his customers and can become a better guardian of the bank's and his customers' affairs.

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SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

Municipal Bond Sales for 1916

COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS

¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically by States.

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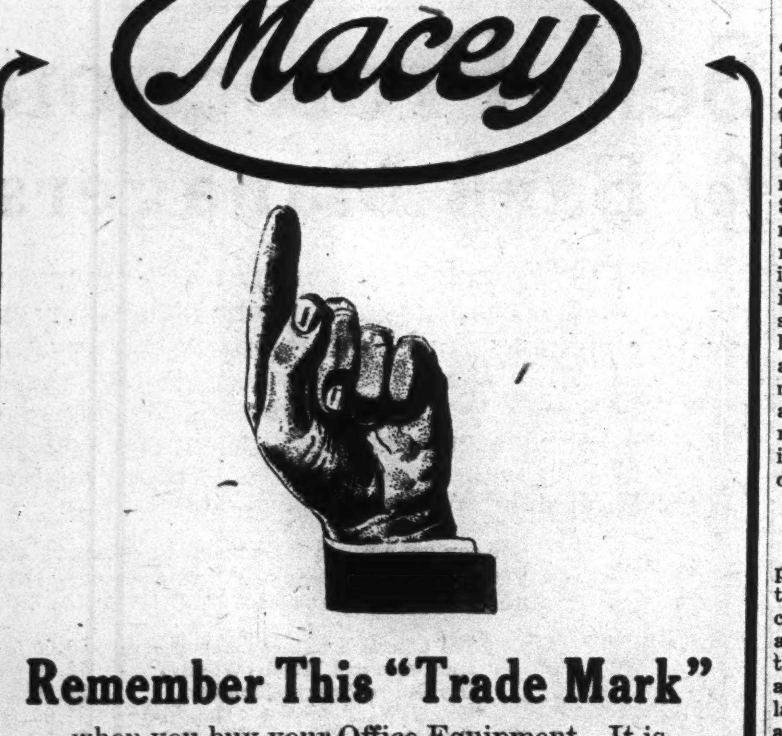

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INVESTORS' INSURANCE NOTES

DIFFICULTIES OF WORKMEN'S COMPENSATION

Ontario's System Makes None Too Favorable a Showing.

MILLING CLASS HAS BIG LOSS

Assessments Prove Insufficient to Meet the Losses and Retroactive Increases in Rates Will Be Necessary.

Nine of the thirty-four classes of employment in schedule 1 of the Ontario Workmen's Compensation Board shows deficits in the provisional balance sheet just issued covering 1916 operations. These deficits run from $201, all the way to to $79,246, the latter being in the milling class. It is carefully explained, however, by the commissioners that "estimated surpluses are being reduced and estimated deficits made up by retroactive changes of rate in a number of cases," which of course is a very simple way of getting around a difficulty. "'The complete actual figures for the year with all adjustments will be shown in the next report,'" they add.

The deficit in the milling class is a serious one and presumably was occasioned by the loss of life in the Quaker Oats fire at Peterboro. It is suggested in the Board's report that a part of the "disaster reserve" might be applied in this case. As, however, this reserve has only reached a figure of $33,486, even the whole of it would not go very far towards covering this loss. As it is, the total collected from the class, including an estimate for a re-adjustment under the 1916 pay rolls, was only $29,145, which is little more than a third of the amount involved in the one accident. If the Board's policy of meeting losses as they occur is followed, milling companies will have to make up the $79,000 at once, which will be a serious strain on them and will make the insurance rate a heavy one.

Evening Up 1915 Figures.

The report includes a final statement of 1915 transactions. The deficits in that provisional statement have all been eliminated, with but one exception, and a satisfactory showing is accordingly made. The expenditures approximate the provisional figures in the 1915 report, but the assessments are considerably larger, this being due as the report explains to the fact that the actual pay rolls for 1915 in many cases largely exceed the employers' estimates. There has been no allowance made in the 1915 report for such increases, so that their extent must have come as a welcome surprise.

The final figures for 1915 left a comfortable balance of $657,015. Assessments collected for 1916 amounted to $1,472,715 and this sum with the estimated adjustment of 1916 pay rolls and a small item for interest, penalties, etc., brought estimated receipts for the year up to $1,989,961. As, however, expenses reached a total of $2,102,025, there resulted a deficit of $112,064, lowering the 1915 balance to $544,951. It is anticipated by the Board that the slight further addition that will likely result from assessments on new and increased pay rolls will about make up this deficiency. There will also be the retroactive increases in rates to make up the losses sustained in these classes that showed expenditures in excess of receipts.

More Liabilities Arise.

The Board will also be called on to provide a considerable sum of money to cover pension awards on 1916 accidents, which had not been adjusted at the end of the year. For 1915, this additional amount was $227,791 and for 1916 it is likely to be much larger. It is clear therefore that the assessments of 1916 were far from being adequate to meet requirements and that advances in rates in several of the classes are imperative.

There was a heavy increase in claims in 1916. This is accounted for not so much from the increase in industrial activities or from the fact that the character of industry and of the working population had greatly changed during the year. A considerable fraction of the workers of 1915 have withdrawn from industry and those who have remained have been speeded up to a higher notch of productivity by reason of increased wages, etc. To better knowledge of the law also must be attributed some of the increase in claims reported. There were 9,239 claims for 1915 accidents disposed of up to the end of 1916, while 16,192, 1916 accidents had been dealt with before the close of the year and others were still to be considered.

The experience of 1916 has been none too reassuring, and some doubt must yet be expressed that the boasted Ontario system is superior to that under which the compensation is paid by liability companies.

SOLDIERS' INSURANCE.

Case of Soldier Who Lived 100 Feet Outside of Toronto.

Mayor Church, of Toronto, has asked for a report from the Civic Insurance Committee on the case of Mrs. Emily McGaffin, 149B Campbell avenue, who has been refused $1,000 insurance on the life of her husband, killed in action, because at the time of his enlistment the family lived about 100 feet outside the city.

Pte. McGaffin and his wife had lived in Toronto for six years, with the exception of about ten months, when they were on Harvie avenue, just outside the city. Four payments of $30 a month on the insurance policy of $1,000 had been paid to Mrs. McGaffin when the city notified her that she was not entitled to the insurance and must return the last payment.

"She should get the entire amount," said the mayor. "The fact that she lived outside the city for ten months should have no bearing on the case whatever."

The official explanation of the Insurance Committee is that Pte. McGaffin and wife lived outside the city at the time he enlisted. "If we paid the money in this case, there are hundreds of other cases where people living just outside the city would have a right to claim insurance," said City Solicitor Johnston. "We have no right to pay out money in cases of this kind. The payments made were a mistake. That is why we asked for a refund of the last one."

REGINA'S INSURANCE.

City Usually Divides Business Between Many Companies.

Policies to the extent of approximately $500,000 on civic fire insurance in Regina expire at the end of the present month and local agents of fire insurance companies are being invited by the city clerk to make application to the city council for renewals and new policies.

For several years the civic fire insurance in Regina has been awarded to local agents in proportion to the number of companies represented by each agent. Last year the risk was divided among no less than ninety of these companies, the business being to both board and non-board companies.

The policy of giving a portion of the business to strong non-board companies has been adopted for several years in Regina, though it was not until this year that the City of Saskatoon decided to recognize the claims of the non-board companies to a share of the municipal fire insurance business.

SUCCESSION DUTIES.

How Life Insurance Meets and Relieves the Situation.

A wealthy man—very wealthy—died a few months ago in one of our largest Canadian cities. The death duties on his estate amounted to several hundred thousand dollars. The estate consisted of the best securities, but very little available cash. The time was not favorable for the conversion of securities into cash, and although the estate ran into many millions, it was only at considerable trouble and sacrifice of securities that the estate duties were met. To such an extent was the awkwardness and undesirability of realizing on the assets of the estate to pay succession duties impressed upon the executor of the estate, that he immediately took out a life insurance policy for a considerable amount, the sole purpose of which was to prevent a like situation arising at his own death.

Look over the larger estates published from time to time in the daily papers. It will probably surprise you to find how small a proportion of each estate consists of ready cash, and you can visualize then some of the difficulties which must have been encountered and the forced sacrifices of securities which must have been made in order to raise the necessary amount of succession duties.

See how perfectly life insurance fits into and relieves the situation. By it a cash sum is immediately available at death to cover the duties and the various assets which form the estate are thereby left intact.

In the last few months your attention has probably been called to several cases where large policies have been taken out for the express purpose of providing a cash fund at death to take care of the succession duties. Two recent and very notable cases were those of Mr. Morgan and Mr. Davidson, of the financial firm of J. P. Morgan & Company, the amount of the insurance in their cases running into the millions.

There is an ever growing tendency among the wealthier men to cover, by means of life assurance, the succession duties which will be levied on their estates at death. And there is every reason why this should be the case, in view of the special adaptability of a life insurance policy to meet the requirements. Adopting this method to meet succession duties is in effect as if the succession duties were paid by annual instalments during lifetime, with the certainty that the large amount necessary to pay duties will be at once forthcoming in cash at death, no matter how soon death might occur.

There is hardly a wealthy man in your community whose estate would not suffer if a forced sale of the securities which comprised it had to be made in order to meet succession duties. There might be some of these assets of such a nature that very considerable sacrifice and inconvenience would be involved. The appeal, therefore, of a life policy to these men should be very great, if the arguments are properly presented.

Are you taking full advantage of the opportunity in this connection which exists in your community?

—Agents News, Imperial Life.

During April the Mutual Life of Canada issued $2,001,000 of new business. For the four months to April 30, the total issued was $8,384,000, which is an increase of $4,011,000 over the same period of 1916.

J. F. Weston, managing director of the Imperial Life announces that the new business produced by the company's agents in April amounted to $1,338,439, which makes April 1917 the largest month in the company's history. The total business for the four months to April 30 was $4,735,556 and there is now in force insurance to the value of $58,460,144.

THE MELVIN-JONES ESTATE.

National Trust Company is Appointed One of the Executors.

The custom of naming a trust company as executor in the administration of estates was followed by the late Sir Lyman Melvin-Jones, who in addition to his widow and daughter, designated the National Trust Company as third executor of his estate. The president of the Massey-Harris Company left property valued at $1,143,004. The assets are as follows:—

Cash in bank, $917.95; household furniture, automobiles, pictures, etc., $4,764; book debts and promissory notes, $133,129.42.

Stocks, $765,225, made up as follows: 5,500 shares of the par value of $100 each Massey-Harris Company, Limited, $605,000; 1,350 common shares of the par value of $100 each Canada Cement Company, Limited, $84,375; 100 preferred shares of the par value of $100 each Canada Cement Co., Limited, $9,200; 100 preferred shares of the par value of $100 each Steel Company of Canada, Limited, $9,200; 250 shares of the par value of $100 each Canadian Bank of Commerce, $46,375; 15 shares of the par value of $100 each National Trust Company, Limited, $3,150; six shares of the par value of $1,000 each Ontario Jockey Club, $6,000; ten shares of the par value of $25 each Toronto Hunt, Limited, $250; one share Scarboro' Golf & Country Club, $75; 25 preferred shares of the par value of $100 each Diaphone Signal Company, Limited, $1,500; 1,250 shares of the par value of $1 each Victoria Skating & Curling Association, $100.

He owned bonds to a total value of $151,518, as follows: Toronto and Hamilton Highway debentures, $51,130.14; Province of Ontario debentures, $50,095.89; Province of Saskatchewan debentures, $23,172.95; Dominion of Canada War Loan, $24,047.95; York Club debentures, $3,071.23; real estate, including "Llawhaden," the family residence on St. George street, Toronto, $82,450; life insurance policy in Confederation Life Association, $5,000.

A life interest is given Lady Melvin-Jones in the family residence, "Llawhaden," together with all the furniture, pictures, etc. The automobiles, etc., are bequeathed to her absolutely.

No. 225 St. George street, Toronto, is given to Mrs. T. Crawford Brown, daughter, for life.

The balance of the estate is to be held during the lifetime of Lady Melvin-Jones upon the following trusts:

(a) Four-sevenths of the income of the entire estate is to be paid to Lady Melvin-Jones.

(b) The balance of the income is to be paid to Mrs. Crawford Brown.

Upon the death of Lady Melvin-Jones, one-eighth of the entire estate is to be given to Mrs. Crawford Brown absolutely. The balance of the estate is to be held for the benefit of her and her children. Upon the death of Mrs. Crawford Brown, the estate is to be divided among her children.

Western Assurance Company

(Fire, Explosion, Ocean Marine and Inland Marine Insurance)

Incorporated 1851

HEAD OFFICE, TORONTO, ONT.

Assets over - - - - - - $ [illegible]
Losses paid since organization over - - - - - - - $[illegible]

BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, John Aird, Robert Bickerdike, M.P. (Montreal), Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. A. Robert (Montreal), E. R. Wood.

Chief Office for Canada, TORONTO

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ALFRED WRIGHT, MANAGER

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receives from its Policyholders such informal and spontaneous expressions of approval as the following, it is clear that the relations between Policyholder and Company are all they should be:—

"I wish to thank you for the prompt and satisfactory manner in which you paid my policy, and also for the many courtesies shown me during the life of the same. I was much gratified to find the amount was larger than I had expected."

Those contemplating Life Insurance will do well to look into the Policies that earn such invariable approval—clearly shown in the unprecedented business being written by

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HEAD OFFICE - TORONTO

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Assets, Over - - - - - - $ 2,700,000.00
Losses Paid Since Organization, Over - - - - - - - - $40,000,000.00

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FARMER HAS BEST OUTLOOK FOR WAR PERIOD

Food Production Stimulated and Prices on Profitable Basis.

FARM LOANS ARE DESIRABLE

Stability of Farm Loan Field During the War Certain to Make Strong Appeal to Investors Who Would Avoid Fluctuations.

"The investor who has a desire for substantial securities and wants those which will be unaffected by the fluctuations of the market can do no better than to buy farm loans. In the end the farmer has the best general outlook for the war period of any class of borrowers."

This is the view of an expert on farm mortgages, who contributes to the Financial World, of New York, a thoughtful article on the influence of the war on this particular investment. He is writing, of course, for investors in a country, which has just entered the war, but as economic conditions in Canada approximate closely to those in the United States, his opinions are not without value to the Canadian investor. He continues:—

Encouraging For Investor.

Interviews during the past month with leading dealers in farm loans reveal that the situation is to-day one of encouragement for the investor. There are more applications for loans than formerly and the basis of farm values is sound. While in sections there is a poor outlook for crops, the food drive that is a passion in every part of the country is going to bring to tillage every available foot of soil in the well settled states. It will doubtless bring a large harvest for late summer and autumn, and as we have to feed the world to a great extent there will be very good prices for some time to come.

The tendency toward buying land as an investment is becoming marked. To be sure, it is accompanied by much tenant farming, as the owners are not intending to till the soil personally, but it all tends to hold the price of realty steady. Indeed, it is doubtful if ever land values were more substantial than they are to-day. This is, after all, the basis of farm loan worth, and with such conditions existing it is easier for the appraisers to make sound returns.

The appraisements made are now on a better basis than in the past and there is less likelihood of slumps in land values. The farm values are closely connected with the prices of products, and while these bring good figures the farms will continue to be in demand. The appraisements generally are being made by experts and they have been trained by long years of experience.

The establishment of the farm loan field during the war, then, is certain to be one that will appeal to investors. It has the elements of safety during the nation's war period that will be unexcelled and investors may be promised practically certain results. This is the time for loan brokers to get the facts before their customers and a good time for investors to place their funds where they will not only assist in the farm production, but have the assurance of safety during what may be trying times for all of us.

THE VAN HORNE WILL.

Royal Trust Company Will Control One-third of Each Bequest.

An estate estimated at several millions was left by the late Sir William Van Horne, whose will was filed for probate at Montreal on Tuesday. The beneficiaries are Lady Van Horne, his widow; Richard Benedict Van Horne, his son; Adeline Van Horne, his daughter, and Cornelius Covenhaven Van Horne, a grandson. Lady Van Horne is to receive the house at 513 Sherbrooke street, Montreal, and the contents for her use during life, and $30,000 a year, contingent on her renouncing her dower rights.

At the end of three years $200,000 is to be created a trust fund for a grandson, Cornelius Covenhaven Van Horne. The remainder of the property is divided: Four-twelfths to his wife, five-twelfths to his son, Richard Benedict, and three-twelfths to his daughter, Adeline Van Horne. Should Lady Van Horne not renounce her dower rights all bequests to her are voided, and the residue of the estate divided between son and daughter. Miss Van Horne's share shall be held free from the marital control of any husband whom she may marry.

It is further directed that one-third of the share of each beneficiary is to be invested in the Royal Trust Company, the beneficiary to derive and use the interest during his or her lifetime and the capital to revert to his or her estate at death. This is a wise provision, as it ensures the safeguarding of an adequate portion of each bequest by a reliable, established trust company.

The British Columbia Legislature has established a department of labor, with a member of the Cabinet at its head.

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Has Nothing to Hide

Now that the Government has absolutely prohibited the use of any artificial coloring matter in sugar,

We tell you again that we have

NEVER USED BEETS
NEVER USED ULTRAMARINE BLUE
NEVER USED ANILINE DYES
NEVER USED VEGETABLE DYES

in refining any of our Sugars.

The Lantic Pure Cane Sugar you buy today is exactly the same high quality as what you bought when our refinery started two years ago. This means every pound in the hands of your grocer is pure and uncolored.

So why take chances? Why not insist on having Lantic—the Sugars that have always been pure—and cost no more than any other?

You should exercise the same care and discrimination in buying sugar as in choosing any other food.

The way to guard against inferior quality is to demand Lantic Pure Cane Sugar which is guaranteed pure and wholesome.

Lantic Sugar has nothing to hide. It comes from the most modern refinery in the world. So great is the demand for Lantic Sugar that we are now refining over three quarters of a million pounds a day.

This shows what the people of Canada—and particularly those who want pure food—think of this absolutely pure food product.

The Standard of Lantic Sugar is now the Standard of Canada

In 2- and 5-lb. Cartons—10-, 20- and 100-lb. Sacks.

Look for the RED BALL TRADE-MARK on every carton and sack.

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General Manager Western Canada TORONTO

A FIXED PRICE FOR NEWSPRINT IS ATTACKED

Member for Sherbrooke Contends it Will Produce Serious Situation.

OUTPUT BEING RESTRICTED

Supply of Ground Wood Pulp Short, And Any Shortage of Water This Summer Will Produce Famine.

A vigorous attack on the action of the Dominion Government in fixing the price at which paper manufacturers should sell newsprint in Canada was launched in the House of Commons on May 10 by F. N. McCrae, M.P., president of the Brompton Pulp and Paper Co. Mr. McCrae was criticizing the proposed increase in the business profits tax, but diverted his attention to the fixed price question. On this subject he spoke as follows:—

A short time ago the minister thought it wise on his part to fix the rate of newsprint at two and one-half cents, which is at least a cent a pound less than it can be produced for. The minister, I assume, would deny this, but the way he figures the cost of paper is the cost, taking it from the tree until it is delivered in a sheet of paper. The way I figure the cost of news print is as follows: The selling value of sulphite pulp is not less than $100, say an average of $100, and it requires 500 pounds of sulphite pulp for the manufacture of a ton of news print. In addition to that about 1,600 pounds of ground wood pulp is required for a ton of paper. That is 2,100 pounds, as there is about 5 per cent. of waste in the conversion of pulp into paper. That pulp is worth to-day at least, selling retail as fast as we can make it, $40 to $50 a ton, put it at the lowest figure, $40; and 1,600 pounds of ground wood pulp at $40 is $32. You have $25 worth of sulphite pulp and $32 worth, of ground wood pulp before you go to your conversion at all. Add to that your coal, labor, size and resin and the other necessities, and it will bring your pulp up to at least $70 a ton before you get a cent of profit out of it. I maintain that the cost of your paper is the value of the pulp that you can quickly sell for cash and not have to wait for your money or ship it, simply load it and get your money.

Did Not Wait to Hear.

That is the condition of the paper business at this present moment, and the minister, in his wisdom—no, I think not in his wisdom, I think he listened to the stories and the arguments of the publishers and did not wait to hear what the manufacturers had to say before he made up his mind and passed judgment on the question—fixed the price at 2½ cents. If he had been patient and had waited until he heard the arguments on both sides, he would have seen the wisdom of being a little fairer in the matter than he has been.

The right hon. leader of the opposition, if I remember rightly, asked the minister the other day if an Order in Council had been passed fixing the price of newsprint paper, to which I understand, he replied that no such order had been passed; that the parties had come to an understanding among themselves. Let me tell you how they came to an understanding. I was not at the meeting, but I was told about it by our manager, who was there. The minister simply told those present; if you do not accept 2½ cents, I will make it 2¼; so you had better accept what has been proposed. That is how they consented to it—with a club over their heads. They had to accept it.

Conditions in Business.

Perhaps the minister understands all about the conditions respecting the pulp and paper business, and perhaps he does not. I want to tell this House something about it. Prior to the month of March, 1916, some of the biggest paper industries on this continent had to reorganize; they were unable to pay even the interest on their preferred stock. In March, 1916, approximately 100,000 tons of ground wood pulp were piled in Canada, and there was, besides, a large amount on the other side. Trade had not been very good, the mills were running only four or five days a week; there was an over-production of ground wood pulp. The increased demand and the increased price commenced about March, 1916, and although the wood season last year was a good one and water was plentiful, that whole surplus of ground wood pulp has disappeared, together with whatever additional wood that could be ground. There is as present very little surplus ground wood pulp.

Sulphate pulp and chemical pulp of all kinds is manufactured by a chemical process requiring but little power, and if there is a shortage of it the manufacturer can force his production and thus meet the difficulty. But ground wood pulp, 75 or 80 per cent. of which goes into newsprint, is manufactured by a mechanical process and cannot be economically or successfully made by any other power than water-power. For instance, it requires 70 to 75 horse power working 24 hours to grind one ton of pulp, and if you generate power by steam or coal to grind pulp it will cost you so much that you cannot make newsprint of it. It has to be made by cheap power, and if the Almighty does not give you water you cannot grind pulp. This surplus that was piled out last March, together with the additional output, having been exhausted, what will happen if we have a dry season this year? I doubt very much whether the newsprint people will get all the paper they want, no matter what legislation the Finance Minister may adopt to help them out, because legislation cannot produce water, and nobody can make pulp without water.

Offered at 3 Cents.

Although the price of nearly every commodity has gone up very materially, the manufacturers, of their own free-will, before any demand was made upon them by the Government, offered to supply the Canadian publishers with paper at 3 cents, which certainly would give them very little profit. I do not know what induced the minister to take the course that he did; I know that in other lines of business the profits are very much higher than in the newsprint paper business. These he has not seen fit to touch, and wisely so; I am sorry that he was not as wise in respect to the newsprint business. Anyway, the general effect will be that capital will hesitate to put its money into anything connected with the paper business, or into any other business in respect of which the Government sees fit to fix prices, especially unreasonably low prices.

I was talking to a man in Montreal last week, a man of big means, who has the ear of many of the financial people of this country. He told me that he had made all necessary arrangements for the construction of a very large pulp and paper mill, but he said that when he went to New York and told his people that the Government had practically fixed the price of newsprint and was taking a big part of the profits he could not get them to listen to him for a minute. I believe that this Government is sincere and wants to build up the country, but I want to tell hon. gentlemen that interfering with the prices of commodities and putting the burden of taxation on a few people is not the way to build up the country.

Mr. McCrae's statement that the action of the Government was preventing capital from making investments in the pulp and paper industry in Canada received endorsation from W. A. Charlton, M.P. Mr. Charlton said:—

Mr. Speaker, my hon. friend (Mr. McCrea), who we know is a large manufacturer of paper pulp has said some things which made me feel it my duty to mention a concrete case in order to illustrate how the proposed increase in the taxation of profits will effect the employment of new capital in this country. The pulp and paper mills in Canada are working day and night and some of them on Sundays and yet they are unable to supply the demands. In the province of Quebec, actions have been instituted against four or five of these mills for violations of the Lord's Day Act.

More Manufacturers Needed.

The condition that I have described shows that we require more manufacturers in this line of business, and I wish to mention a concrete case in order to illustrate how difficult it is likely to be to get capital invested in this particular industry. I know of an instance where Canadian capitalists were intending to create a plant which would cost not less than $5,000,000. They have spent $10,000 in surveying and laying out the plant and in laying out a town to accommodate 5,000 people, and the expectation was that the capital invested would amount to nearly $10,000,000.

Immediately after the Budget speech in which the Minister of Finance announced that the tax on profits over fifteen per cent. and up to twenty per cent. would be fifty per cent., and on profits over twenty per cent. would be seventy-five per cent., these capitalists immediately said: We will go no further, and they threw up their hands. That is the way in which the proposed increase in taxation affected that enterprise.

Afraid to Invest.

One gentleman who was deeply interested in this case went to New York ten days ago to negotiate with some people there who control about $36,000,000, and who had intimated that they intended to invest largely in the manufacture of paper and pulp in Canada. The result of his interview with those capitalists was that they simply said: "We are afraid to invest in Canada; we might figure out how we could get along and pay this tax; but we are afraid of something the Government might do which which would tie our hands; we have our money in our pockets and that is where it will remain."

If legislation frightens away capital, if it does not encourage capital especially in an enterprise in which it is very much needed as in this particular one of paper and pulp, there is something wrong which should be remedied. I do not rise to complain in regard to the Government; I think perhaps the Minister of Finance has done the very best he could in studying out this matter, because we certainly need more revenue. I am stating this case to show what the effect is. I could mention other cases and it seems to me that when the effect is what I have stated, some remedy is necessary.

Sir Thomas Replies.

On Wednesday of this week, the Finance Minister replied to the criticism of Mr. McCrae, and defended his action in fixing a price on newsprint paper. He reviewed the circumstances under which negotiations were carried on between the representativs of the newspaper publishers and the manufacturers, and said that it had been shown, if the price continued to advance, many newspapers would be wiped out. As they were quasi-public institutions, this was not desirable.

Before the House rose on Wednesday, Mr. McCrae renewed his protest against the fixing of the 2½ cent price. In picturesque language, the member for Sherbrooke exclaimed:

The Minister seems to think that when the people cry for bread he can hand them an evening paper. The whole trouble was that the publishers came down upon him with a stocking full of ink and put it right up to him. They said: "We'll knock your block off, politically, if you don't listen to us." And the Minister threw up his hands and exclaimed: "Hold on, gentlemen, I don't want to be disfigured that way; you can have just what you want. The manufacturers can squeal all they like. They haven't printers' ink, and they can't hurt me so much with their tongue."

Mr. McCrae counselled Sir Thomas White to amend his action and let the law of supply and demand govern the price. The manufacturers, he contended, were losing money at present prices, and were not likely to maintain production at the required level.

B.C. GOVERNMENT FARMERS' LOANS RESULT IN LOSS

Minister of Agriculture Says Money at 6½% Costs Province 9½%.

LANDS FOR THE SOLDIERS

Homesteads Upon Which Payments Are Overdue Will be Reserved for Men Who Come Back From Front.

One of the new pieces of legislation to be brought down by the present Government in Victoria deals with the reversion to the Crown Lands which have been held for speculative purposes on which the payments are overdue. The Soldiers' Homestead Bill provides for the appointment of certain of these lands for the use of soldiers on their return from the front. Under the terms of a new bill called the Land Settlement Bill, a Land Settlement Board will be appointed, whose duty it will be to remedy conditions in the isolated settlements by moving settlers in these sections to a more settled location in the hope that greater production will result. Under this arrangement, the board will endeavor to lay out blocks of land which will have a small frontage of road. It is the intention to improve the land and when ready, offer the same for sale with the object that each block will be self-sustaining.

The board will also, if the present bill is put through, which is probable, undertake farming operations on a small scale, on any farms which come back on the board owing to the purchasers' inability to complete payments. The bill also provides that there will be less delay between the time of application for a loan and the time the money is paid over to the farmer, as is done with the present system.

Cost of Farm Loans.

In speaking to the bill, Hon. John Oliver, the Minister of Agriculture, stated that it had been shown that under the operation of the Agricultural Credits Act, there had been a net operating loss of $31,360, or 3.13 per cent., and that the loss was increasing at an alarming rate. He also indicated that while the bonds cost the province 5.63 per cent., and money was being loaned at 6½ per cent., the money actually cost the Government 9½ per cent.

According to the new plan, the province will be divided into four areas, each of which will be under the supervision of one member of the board who will act as valuator and appraiser. All applications in one area will be dealt with before those in another area will be taken up. Loans will be made on absolute as well as indefeasible titles which means that money will be lent on Dominion lands as well as those controlled by the province. The old Act prevented the loaning of money on Dominion acreage.

LARGER EARNINGS AND IMPROVED LIQUID POSITION.

Continued from page 9

amounting to $60,829 as compared with $52,735 brought forward. Following are comparative figures:

Profit and Loss.

	1915	1916	1917
	$203,094	$197,474	$214,005
Bal. forward	$ 87,983	$ 52,184	$ 52,735
Profits	115,111	145,290	214,005
	$203,094	$197,474	$214,005
Dividends	$ 71,646	$ 72,279	$ 72,582
*Contingent	28,800	......	......
Taxes	10,464	22,460	20,594
Res. for dep.	40,000	50,000	60,000
Balance	52,184	52,735	60,829
	$203,094	$197,474	$214,005

*Transferred to contingent account as appropriation for bank premises, reserved for investments, etc.

The bank has been steadily improving its earning position since the outbreak of the war. In 1914 the showing on average capital employed dropped from 10.93 per cent. to 9.09 per cent. In 1915 there was some improvement and this has been continued in 1916 and 1917, and the growth stands out in the earnings record since 1907.

Year	Profits	% on Capital	Div. Paid
1917	$161,270	13.44	6
1916	145,290	11.37	6
1915	115,111	9.60	6
1914	114,200	9.09	6
1913	113,400	10.93	6
1912	107,876	10.88	5
1911	96,825	10.29	5
1910	92,882	10.19	5
1909	64,146	7.78	5
1908	50,091	6.22	5
1907	27,206	3.96	3

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INCORPORATED 1855

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J. Henderson, Vice-President.

William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler, Thos. F. How, General Manager. John R. Lamb, Supt. of Branches. T. A. Bird, Chief Inspector.

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HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

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